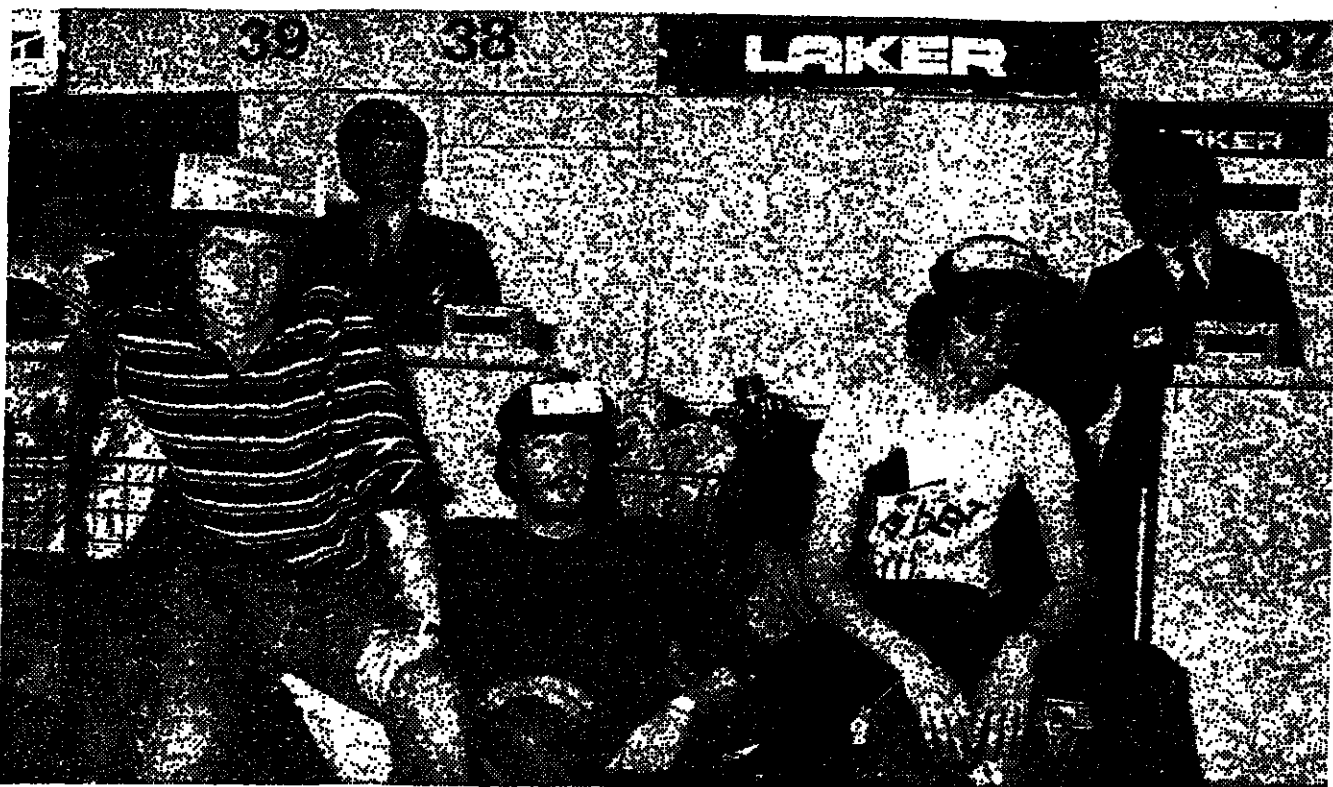


Laker Airways collapses with debts of £270m



Three young Americans, stranded by the Laker collapse yesterday, waiting disconsolately in London.

Sir Freddie to meet receiver today

By Staff Reporters
Laker Airways collapsed yesterday owing £270m to banks and other creditors. Sir Freddie Laker, pioneer of cheap air travel, gave up the battle to save his airline after months of frantic negotiations and the breakdown of last-minute attempts to mount a rescue.

He asked Clydesdale Bank to appoint a receiver after a board meeting at Gatwick airport, London, at 8am. The airline's future would be known in less than a week, Mr Bill Mackay, the receiver said. "There is no way that Sir Freddie Laker can carry on with this business in its present form. It has to be sold," Mr Mackay said.

The Civil Aviation Authority had given notice to take effect in six days to withdraw the operating licence for the fleet of aircraft owned by the Laker group, he added. The airline's stranded passengers would have the return half of scheduled tickets honoured by British Airways, Pan Am, Air Florida, and British Caledonian.

Earlier this week it seemed the agreement saving the airline was close and Sir Freddie announced that his financial troubles were over. But information then emerged showing that Laker's ticket sales and bookings were much worse than expected, and the talks among the creditor banks broke down.

The airline's collapse left passengers and holidaymakers stranded all round the world, and Laker aircraft flying from Britain were recalled in mid-flight. The last-ditch attempts to save Laker involved ministerial talks and the Prime Minister

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was kept informed. But the Government indicated from an early stage that it expected any help for Laker to come from the private sector and decided on Thursday afternoon, after a telephone call from Sir Freddie to the Department of Trade, that there could be no state rescue.

Sir Freddie was still struggling to pull together a deal until early yesterday. But talks at the Gatwick Hilton involving Samuel Montagu, Laker's merchant bank, and Intrans, the holiday company, came to nothing.

In a statement yesterday, Sir Freddie said that the facilities available to Laker from its bankers and the arrangements reached with McDonnell Douglas were not considered adequate by others to meet the company's needs over the next few months. The company was deeply concerned that there should be no risk to passengers who could be stranded if the airline collapsed in the summer.

Mr Bill Mackay, of accountants, Ernst and Whinney, who is the company's newly appointed receiver, said last night that it was highly unlikely that even a limited Laker service would continue. He had spent the afternoon in talks with about 10 other airlines in an attempt to reach agreement on bringing stranded Laker passengers back.

He said he had high hopes of securing agreement on the Laker passengers on scheduled flights, of whom there were about 5,000, but said charter passengers were governed by different regulations. No agreement had yet been reached on those passengers.

He added that although it was unlikely that the Skytrain business would continue, "it may be possible to continue the tour business". Laker passengers with tickets but who had not gone on flights would be treated as unsecured creditors by the liquidator. They should make their claims for refunds through their agents. But he did not know what their chance of success would be.

He said the airline's employees had been told that they would be getting their next pay cheques, but after that the position was uncertain. On the future of Laker, he said: "If no one takes it over, then we will close it down".

In the Commons, Mr Iain Spence, Under-Secretary of State at the Department of Trade, gave an assurance that everything possible was being done to help the airline's 10,000 stranded passengers, saying that there was about £25m available for their repatriation if that much was required.

He said that passengers who had paid for a package holiday would be protected in the first instance by the bond that Laker's tour operating companies had provided as a condition of their air travel organisers' licences. He added, however, that those arrangements would not cover people travelling on Skytrain scheduled services.

In all, Laker had a fleet of 16 aircraft and employed 2,600 people. Midland Bank Group is expected to be one of the worst sufferers from Laker's collapse. Its subsidiary, Clydesdale Bank, may lose up to £9m, according to City sources. Bankers said Laker's losses were running at £15m to £20m a year. It owes banks £230m with a further £40m owed to unsecured creditors. Assets were estimated at about £250m.

The airline industry was awash with crocodile tears yesterday as its leaders publicly bewailed and privately rejoiced over Laker's collapse. Bankruptcy among airlines has been seen for months as the quickest and most direct way to get rid of over-capacity on the Atlantic routes.

There was personal sympathy for Sir Freddie and his staff, but there was also an immediate and not entirely disinterested rush of practical help for the airline's stranded passengers. Laker has been carrying about a quarter of the passengers travelling between Britain and New York, and the flight got under way to pick up his customers.

Air Florida, Laker's arch-rival, said: "It is tragic, because Laker was a fine airline. But there is going to be a lot of traffic out there to be picked up, and in that sense it is good".

End of a dream: Sir Freddie Laker's aircraft grounded at Gatwick Airport yesterday.

Passengers stranded at British airports

By Nicholas Timmins and John Witherow
A Laker Airbus flight from Manchester to Tenerife was turned back on a hour-and-a-half out over the Bay of Biscay yesterday, as news of the company's crash came through. The 311 package holiday-makers on board were brought back to Manchester. A second Laker flight, a DC10 scheduled Skytrain to Miami, due to leave at 10.00 am, was halted after its 191 passengers had boarded, stranding them and others due to be picked up at Prestwick. About 300 people were booked on cancelled Skytrains from Gatwick to Los Angeles, New York and Miami yesterday. Behind the beleaguered staff fended off interminable questions from confused and occasionally angry passengers, the airline proudly displayed its cheap fares of £99 to New York and £109 to Miami. Some of the scheduled passengers were taken to Heathrow and flown by PanAm and Air Florida to their destinations. But many will have to pay for an extra fare, and then hope to recover their money at a later stage. A PanAm spokesman said:

McDonnell Douglas may quit civil aviation

By Edward Townsend, Industrial Correspondent
McDonnell Douglas, the big United States aircraft manufacturer, stands to lose up to \$50m (£26m) after the Laker collapse, could become the second of the world's four major plane makers to abandon civil aircraft production. Such a move, which has been widely expected within the aviation industry since Lockheed's decision in December to end TriStar production, was made even more likely with the sudden announcement by McDonnell yesterday that it had pulled out of its partnership with Fokker of Holland to develop the MDX-100, a new 150-seater airliner for the late 1990s. McDonnell put a brave face on the latest developments. Mr Ray Daffry, the company's United States spokesman, said: "We are not considering pulling out of the commercial aircraft business". In Britain, an official said the MDX-100 decision was not connected with the Laker affair and added that McDonnell would continue design work on a 150-seater airliner and would be talking to potential partners. But there must be considerable doubt about McDonnell's future presence in the civil aircraft market. Last year 62 per cent of the company's sales were military and 38 per cent commercial, with the civil airliner operations recording a loss of \$85m. McDonnell has been in the forefront in trying to put together a financial package to save Laker. Part of the proposed restructuring of Laker's finances was a conversion into preference shareholdings of at least some of the \$46m debt guaranteed by McDonnell in relation to the DC10s, and the United States manufacturer was also expected to lend up to £4m to the airline. Arthur Reed writes: Airbus Industrie, the European consortium with France, West Germany, and Britain as its main partners, is taking a fairly relaxed view of the Laker collapse, even though he has ten A300-B4 300-seaters on order, three of which have so far been delivered. An Airbus spokesman said from Toulouse that the A300 and A310 appeared to be the main aircraft which the airlines of the world want today. The inference is that Airbus will have no difficulty in placing the seven Laker-ordered aircraft.

Whitehall reveals curbs on Poland

By Simon Scott Plummer
Britain announced yesterday measures against Poland and the Soviet Union to mark its disapproval of the military takeover in Poland. They include travel restrictions on Polish and Soviet officials in Britain and tighter terms for credit.

Britain is the first European Nato country to give details of its reaction to the imposition of martial law in Poland. Its allies, apart from Greece, which has dissociated itself from such a course, are expected to follow suit over the next few days.

The measures against Poland include: by Polish diplomats, officials and journalists restricted to within 25 miles of London and Glasgow, where there is a Polish Consulate; Government-backed credits for Poland suspended as is rescheduling of Poland's 1982 official debt; Officially guaranteed credits to Poland go into abeyance, subject to safeguarding the interests of British firms with contractual obligations.

Britain and its EEC partners have agreed to stop sales of cut-price food to Poland. BBC Polish-language broadcasts will be increased by five hours a week to 264 hours. The restrictions applied to the Soviet Union are: A reduction from 35 to 25 miles in the distance Soviet officials can travel outside London without special permission; A reduction in technical cooperation agreements, covering medicine and public health, environmental protection, agricultural research and atomic energy.

A licensing system for Soviet factory ships loading fish caught in British waters; Renegotiation of the 1968 Anglo-Soviet treaty on merchant navigation; exploring, with other EEC nations the possibility of reclassifying the Soviet Union within the Organisation for Economic Co-operation and Development export credit consensus. This would put the Russians in a relatively rich, instead of an intermediate category, thus raising loan interest rates.

Pravda backs purge, page 4

Unions fear MSC job losses

By David Felton, Labour Reporter

The removal by the Government of Sir Richard O'Brien as chairman of the Manpower Services Commission, and his replacement by Mr David Young, a former aide of Sir Keith Joseph, could be the prelude to attempts to reduce the size of the public employment service.

Sir Richard's adviser on cutting waste in the Civil Service, is conducting a study of the employment service, which is administered by the MSC, and is expected to produce recommendations for greater involvement of private enterprise in the jobs market. The report is due to be completed next month.

Sir Richard yesterday issued a statement in which he made clear that he wanted to stay on as chairman for a third three-year term of office. "The Secretary of State decided he wanted a change. Naturally, I accept that".

He believed it was important that the MSC should continue the work that it has been doing in recent years, a view echoed by Mr David Bassett, general secretary of the General and Municipal Workers' Union, who added: "Sir Richard O'Brien is to be replaced by a property manager, a side kick of the monetarist guru, Sir Keith Joseph".

It is thought that the TUC's three representatives on the Commission will not be resigning as a result of the appointment of Mr Young and believe it is important to remain commissioners to ensure that the MSC does not become Mr Tebbit's "puppet".

Sir Richard has had many brushes with the Government; only this week, the MSC produced its corporate plan for the next four years which contained evidence to support the TUC's claim that the real level of unemployment is about four million.

The Government has asked the MSC to investigate ways of turning the Professional and Executive Recruitment service over to the private sector. A reduction in the operations of Jobcentres, with private agencies stepping in to fill the gap, would lead to reduction in the numbers of civil servants staffing the centres.

It is thought that such a move, if suggested by the Rayner inquiry, would have been resisted by Sir Richard but is likely to be more acceptable to Mr Young. Reducing the role of Jobcentres would also help to meet the Government's target of cutting the size of the Civil Service to 650,000 posts by 1994.

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Freed Briton talks to 'The Times'

Pyke's ordeal in Iran jails

By Mario Modiano in Athens and David Cross in London

Mr Andrew Pyke, the British businessman who had spent longer in captivity in Iran than the American hostages, arrived in Athens yesterday to be reunited with his Dutch wife, Ursula. "I'm feeling great. It's nice to see the world again", he told The Times.

Mr Pyke, aged 42, who was released from jail just over a week ago and spent the past few days waiting in the Swedish Embassy in Tehran for his exit papers to be cleared, arrived on a regular Iranian flight looking fit in a dark blue jacket and corduroy trousers. British Embassy officials took him to an undisclosed destination where he met his wife for the first time in privacy since he was arrested about 17 months ago.

He had originally planned to continue his journey home yesterday but because his flight was delayed by a couple of hours he and his wife decided to spend the night in Athens. Speaking to The Times in London by telephone before he left the Iranian capital, he described in detail his sudden release from prison and the reasons behind it.

It all happened very quickly in the end, he said. The first sign that his release might be imminent came when he was transferred from Karaj prison, about 25 miles outside Tehran, to the notorious Evin prison in the centre of the capital on about January 19.

Then on the Saturday of that week (January 23) he was called before an examining judge for an informal hearing on his case. Four days later he agreed to make a video tape either for the Iranian authorities' files or for local broadcast. (He was not completely sure how the recording would be used). Then a day later he was handed over to the custody of the Swedish Embassy, which looks after British interests in Iran.

Asked about the video recording, Mr Pyke said that he had been asked by the Iranians to talk about his treatment in jail, particularly the Evin prison where he spent the first few months of his imprisonment as well as his final ten days in captivity. When he asked why the authorities wanted a recording of his views, they had responded: "Well, there's so much bad publicity about Evin that if a foreigner goes on TV and says it (that conditions are not bad) maybe people won't believe him".

Mr Pyke said that he had agreed to make the recording "because I simply told the truth and didn't have to hide anything unpleasant that happened to me personally. I was well-treated, never ill-treated at all physically. Mentally, you know, the uncertainty of being locked up like that is different. But my physical treatment was excellent".

Asked why he thought he had been released so suddenly, he said that he had been almost freed from prison last summer. On June 31, he said, he had signed a document stating that he accepted the terms of a guarantee whereby he would be released from prison but would stay in Iran until authorisation came through for him to leave.

The very next day, the prison was closed to the public because of a new crisis with local terrorists. It was then that he was transferred to Karaj prison.

can go ahead without Aslef and there could be a chance of solving the issue. But I would welcome it if they (the train drivers) would participate".

Aslef officials who are providing a secretariat for the McCarthy inquiry disclosed yesterday that the chairman and his two colleagues, Mr George Doughty, the former engineering white-collar union leader, and Mr Ted Choppin, ex-managing director of Esso, will examine all the documentary evidence on the disputed link between the unpaid 3 per cent wage rise and BR's demand for flexible rostering.

There will be no trains tomorrow as the footplatemen stage their fourth weekend 24-hour strike. Aslef has served notice of similar stoppages on Tuesday and Thursday.

Save & Prosper GOLD FUND LIMITED

Save & Prosper International announce the new Save & Prosper Gold Fund Limited which provides a managed portfolio which may be invested in gold bullion and coins, gold futures and options and the shares and share options of gold mining and mining finance companies.

The Fund is incorporated in Bermuda and administered by Save & Prosper (Jersey) Limited, P.O. Box 73, Dolphin House, Colombarie, St. Helier, Jersey, Channel Islands. Tel: Jersey (0534) 739333. Telex: 4192226

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S African white dies in detention

A young white trade unionist has been found hanged in his cell at security police headquarters in Johannesburg. Dr Neil Aggett, detained in a round-up of political activists, is the first white among the 46 people who have died in security police custody since 1963. Page 5

Segregate fans, says minister

Mr Neil Macfarlane, the Minister for Sport, has told Spain of the need to segregate British football fans from the supporters of other teams playing in the World Cup. The Spaniards were now aware of the problems of "our so-called football fans", he said.

Soviet general expelled by US

General Vasily Chitov, the senior military officer at the Soviet Embassy in Washington, has been expelled for "activities inconsistent with his diplomatic status". He was said to have been found in possession of incriminating documents. Norway has also expelled two Soviet diplomats. Page 4

North Sea oil prices cut

North Sea oil prices are being cut by \$1.50 a barrel as a result of the world oil glut. But the oil companies are unlikely to pass the reduction to the motorist. Page 15

SDP denounced as 'weasels'

The SDP decision to vote for Mr Norman Tebbit's Employment Bill was denounced by Labour leaders and one of the party's own MPs. Mr Denis Healey dubbed the SDP "Tebbit's Troopers" and said its leaders were acting like "weasels in a sack". Back page

Easy victory for Herr Schmidt

Herr Helmut Schmidt, the West German Chancellor, seeking a confirmation of his domestic and foreign policies, easily won a vote of confidence in the Bundestag. Deputies of the two coalition parties gave unanimous backing to the motion, carried by a majority of 43. Page 4

Indian father is deported

The Indian husband of a young Asian woman from Birmingham who recently gave birth was sent back to India because of the new law on foreign students. The case is being used in a campaign against the immigration rules. Page 2

Shells greet Carrington

Two Vietnamese shells landed in a Cambodian refugee camp on the Thai-Cambodian border less than an hour before Lord Carrington, the Foreign Secretary, arrived. Lord Carrington, who is visiting Thailand to see food being distributed to some 13,000 Cambodian women. Page 5

Toxteth pledge

Mr Kenneth Oxford, Chief Constable of Merseyside, denied that he was about to abandon the committee-pooling experiment in Toxteth because of attacks on officers. Despite difficulties, his men were determined to see the system work. Page 2

Vauxhall stars

Vauxhall, General Motors' United Kingdom subsidiary, sold 14,393 cars last month—more than at any time since June, 1978. The Cavalier was third best seller, and the Astra sixth. Page 15

Golden girls

June Croft, aged 18, of Wigan, won two gold medals and Jackie Whitmore, aged 16, of Southend, one gold medal in the freestyle events on the first day of the Arena international swimming meeting in Paris. Page 20

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Letters: On funding universities, from Professor C. A. Pastorek, and Professor G. L. Husley; Laker, from Mr Martin Drew; West End theatres, from Mr Paul Edgington
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Sir Harold Wilson pays a personal tribute to the Queen: will the Liberals walk off with the alliance spoils? a small matter of the cheese board

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NEWS IN SUMMARY

Navigation aids for submarines

Britain's four Polaris missile submarines are being fitted with new navigation systems to improve their reliability and make them cheaper to maintain (Henry Stanhope writes). The decision, which will cost millions of pounds, was taken in part to capitalize on advances in computer technology since the craft were built in the mid-1960s. It was also prompted by the need to make the submarines as reliable as possible after Polaris has been phased out of the United States Navy.

DHSS attacked over ruling

The Department of Health and Social Security was accused yesterday of trying to sabotage a £14,000 local authority campaign to encourage people to claim social security benefits (Pat Healy writes). The department has ruled that people returning a postcard claim form, which is distributed by Birmingham social services, will be required to make a separate claim to their local benefits office.

Tomato thrower is suspended

Mark Bianco, aged 22, a science student, was suspended from Sussex University until the end of term by an internal disciplinary panel yesterday for throwing tomatoes at Dr David Owen, the Social Democratic MP, during a speech he gave over the campus last November. Disciplinary proceedings against Jillian Allott and Joanne Mullin, both students, were deferred.

29 arrests in N Ireland

Police and troops detained 29 people in Northern Ireland yesterday in a security round-up concentrated in Belfast and East Tyrone (our Belfast Correspondent writes). A soldier and two civilians were seriously hurt yesterday when a suspected stolen car was chased by an Army patrol into the grounds of Belfast's Royal Victoria Hospital.

Sullom Voe oil strike called off

A planned strike at the Sullom Voe oil terminal, in the Shetland Islands, was called off yesterday morning just before 210 shift workers were due to close the plant. A mass meeting of the men reversed a decision to strike over a 15 per cent pay claim and accepted a new agreement to continue normal working. BP has agreed to meet Mr Mel Keenan, of the transport workers, for further talks.

Society backs fellow lawyer

The Society of Black Lawyers last night gave their backing to Mr Sibghat Kadri, the lawyer who clashed with Judge Lord Dunblane in the trial of a young black man acquitted last week of assault on the police during the Brixton riots. After the verdict the judge praised the police for their "manly restraint" in causing only relatively minor injuries to the youth. The judge also criticized Mr Kadri's conduct of the defence.

Protection for Bulldog

The Football Association was granted a High Court injunction yesterday banning the unlicensed use of its "Bulldog Bobby" World Cup emblem on T-shirts marketed by Robland Graphics of Highham, Lancashire. Mr Justice Walton, sitting in London, said of the emblem: "It looks like Dracula on the Chelsea terrace".

Railman charged

Sydney Edwards, a railman, was yesterday remanded on bail until March 8 when he appeared before Tower Bridge magistrates facing charges connected with overtime and time sheets. Mr Edwards, aged 58, of Sandown Road, Norwood, south-east London, is alleged to have committed the offences at London Bridge station.

'Over-generous' universities to lose UGC aid

By Diana Geddes, Education Correspondent

Universities which are offering their academic staff redundancy payments and early retirement on terms more generous than those being offered under the scheme by the Committee of Vice-Chancellors and Principals (CVCP) stand to lose millions of pounds, for they will not get a penny from the University Grants Committee (UGC) towards any part of their costs.

The committee wrote this week to universities undertaking to reimburse in full the costs incurred over early retirement or redundancies, promising that the UGC would then reimburse the universities for those costs which would be incurred under the CVCP scheme, which has just been approved by the Government, and provided that the job loss was "consistent with academic planning".

However, the letter added, "the committee will not consider for grant claims for compensation on terms more generous than those shown (that is, the CVCP scheme)".

The UGC confirmed yesterday that that means that universities which offer more generous compensation will forfeit all right to reimbursement by the UGC; it does not simply mean, as some universities have thought, that the university will have to pay the additional amount of compensation.

Safety plea after fire kills seven

A coroner called for significant improvements in hospital safety yesterday after hearing a fire killed seven old men.

Dr Paul Knapman, the Westminster Coroner, said wards should have smoke detectors, two nurses should be on duty at all times and night duty nurses should be separated from patients by glass screens. He had been told that when fire broke out at Warrington Park psychiatric hospital, at Caterham, Surrey, it went unnoticed by a duty nurse. There were no smoke detectors in the ward; and a second duty nurse was out of the ward on a meal break. A patient's screams were the first indication to staff that there was a fire.

The seven patients, aged between 75 and 85, died from breathing smoke and from shock. A verdict of accidental death was recorded on each. The inquest was told that a £230,000 fire safety programme had been recommended five months before the fire, but had fallen victim to spending cuts.

Dr Knapman said a cheap smoke detector would be better than nothing. If that was impossible an independent warning system would have to be installed. Mr Leonard Ani Adjii, who was in charge of the ward at the time, said he was alerted by one of the patients screaming "fire". He said a bed was in the way of the nearest fire exit and he went to the corridor and telephoned the hospital switchboard.

Catering at Commons in the black after grant

By Anthony Berins, Political Correspondent

The House of Commons Catering Department yesterday announced a net trading profit of £255,843 for the financial year 1980-81.

Trading accounts signed by Mr Charles Irving, Conservative MP for Cheltenham and chairman of the Commons catering sub-committee, and Mr John Smillie, head of the Refreshment Department, declared that a 20 per cent net trading profit on turnover had been achieved in the first year of operation under new administrative arrangements.

Nowhere in the accounts was it mentioned that the Treasury, as part of the new administrative arrangements, had paid over £1,423,815 to the House of Commons Commission, representing the wages bill for the Refreshment Department's permanent staff. Without such direct assistance, the department would undoubtedly have achieved an even bigger deficit than the £767,863 recorded for 1979-80, or the £546,292 of 1978-79.

Mr Smillie said yesterday: "You cannot compare the new structure with the old. You must look at Commons catering as you would look at any industrial canteen which is subsidised."

Revised meal prices have been fixed since July, 1980, and the report says, in some cases there have been decreases in prices, most notably on afternoon teas on the terrace, which were found to be too expensive.

The bank balance has also been drastically changed by the Treasury intervention.

As part of its policy to improve overall efficiency, BL transferred production of cars out of its manufacturing plant at Canley, Coventry.

But instead of selling the plant, the company has invested £16 million to turn it into a highly advanced research centre.

The new cars already planned for the next decade will benefit enormously from the kind of advanced research that the new development will offer.

BL engineers will be able, for instance, to test individual components at the design stage in a totally controlled laboratory environment where they will be able to simulate a wide range of different driving situations.

BL Fighting back

One vice-chancellor suggested that he could get round that difficulty by putting in a claim to the UGC for compensation in accordance with the CVCP scheme, while privately paying his staff an additional amount out of university funds. The UGC said, however: "It is perfectly clear. We would require to be satisfied that a university was paying no more than the CVCP scheme terms."

For universities such as Leeds, which is offering premature retirement to academic staff with up to a year's salary in addition to the lump sum payable under the CVCP scheme, the UGC's decision will mean that they will have to find about £3.5m from their own funds to pay for an estimated 80 to 100 academic redundancies.

If the UGC had paid the basic CVCP rates, Leeds could have expected to get back about £3m of that from the UGC "restructuring" fund.

Mr James Walsh, registrar at Leeds, said: "This is obviously a serious blow. However, we had taken into account the possibility that we would have to find the redundancy money from our own resources. No redundancy contracts have been signed yet with individuals, but we cannot go back on the scheme now."

Letters, page 7

Outcry as father is sent home

By Lucy Rodgers

A man whose wife recently gave birth to a child in Birmingham was sent back to India yesterday, because of the Government's new rules on foreign husbands.

The case of Mr and Mrs Jaswant Singh is one of a number being collected by pressure groups to show that new immigration rules are splitting up families. It is one of about 16 cases lodged with the European Commission of Human Rights, complaining that the rules discriminate against people on grounds of their race and sex.

A campaign is to be launched soon by the Joint Council for the Welfare of Immigrants and the National Council for Civil Liberties to draw public attention to what they see as a scandal.

Mr Mann came to live here with his family in 1964, when she was nine months old. She was brought up in Birmingham and returned to India for the first time last year when her family arranged her marriage. She was refused permission to bring her husband here because neither she nor her parents were born here, but she returned to India for the first time last year when her family arranged her marriage.

When she arrived she realized she was pregnant. Her husband was allowed to visit her for the birth of their child but Mr Timothy Reason, Minister of State at the Home Office, made clear that he could not adapt to life in India.



The Queen's bitter-sweet anniversary

The Queen will today spend the thirtieth anniversary of her accession to the throne quietly with the Duke of Edinburgh at Sandringham House, Norfolk. No festivities are planned. Buckingham Palace spokesman said: "It is rather a sad occasion in that this is the day her father died and, naturally, not one for celebration."

The Queen was on tour in East Africa when King George VI died at Sandringham after a day's shooting. The rest of the court quietly with the Duke of Edinburgh at Sandringham House, Norfolk. No festivities are planned. Buckingham Palace spokesman said: "It is rather a sad occasion in that this is the day her father died and, naturally, not one for celebration."

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The Queen was

'The day Freddie Laker stops flying aeroplanes, the fares will go up and up...'

Travel now

Operators ready for payouts as flights switch

By Derek Harris, Commercial Editor

Package holiday tour operators using Laker flights and travel agents selling Laker package holidays scrambled yesterday to cope with the immediate problems thrown up by the Laker collapse. However, longer-term, higher price transatlantic holidays are foreseen.

Thomson Holidays, Britain's largest tour operator, is footing the bill for switching 13 of their holidaymakers to a British Airways flight today in club class after their Laker flight to Montego Bay, Jamaica, via Miami, was cancelled. Laker's flight was cancelled as it was about to take off.

Thomas Cook, the travel agency chain, was preparing if necessary to pay out substantial sums under its 24-hour money back guarantee to those who had booked package holidays through Cooks from Laker's package holiday subsidiaries, Laker Air Travel and the North West-based Arrow-Smith.

Thomson was last night still making alternative arrangements for other groups due out this weekend on Laker flights from Manchester, Gatwick and Prestwick to United States and Caribbean destinations. With the under-used capacity now existing on the North Atlantic services, once the immediate difficulties are over, there should be few problems in finding seats with other airlines.

Holidaymakers who had booked Laker package tours will get their money back under bonding arrangements within the travel industry. This is not an immediate payment, for administrative reasons, but some other travel agents in addition to Cooks, give no-strings guarantees.

If the Receiver shuts down Laker package holidays, the package operators and agents will also offer alternative holidays.

Cosmos, another big tour operator, said last night it did not anticipate great difficulties in switching to other airlines to cope with Laker-booked travellers on its own package holidays. It is also increasing its allocation of beds in hotels at destinations used by the Laker holidays subsidiaries.

There are about 4,500 holiday makers abroad on Laker package holidays. The bonding arrangements administered by the Association of British Travel Agents (ABTA) allow for immediate payments, if necessary, for package holiday customers likely to be stranded. But there were fears in the industry last night that

some holidaymakers abroad might mistakenly turn holidaymakers out if money was owed to the hotel.

Return tickets issued by Laker for its package holidays are likely to be honoured by other airlines. British Caledonian and British Airways last night were among several airlines offering to re-arrange, where possible, passengers stranded with Laker scheduled service tickets.

Travellers with Laker tickets on scheduled flights are not covered by the package holiday bonding arrangements. The Laker scheduled flights are between the United Kingdom and four United States destinations: New York, Miami, Los Angeles and Tampa. Anyone who has paid a deposit or the total cost of a ticket still not used, effectively becomes an unsecured creditor of Laker.

There was speculation last night whether there could be recompense under the Air Travel Reserve Fund (Amendment) Bill, now passing through Parliament. This is intended to extend compensation to scheduled passengers in addition to package holiday passengers when an airline goes into liquidation.

However this would mean allowing for retrospective payment as was done when a fund was set up to deal with the aftermath of the Court Line financial crash.

If Laker's transatlantic operations were scrapped there would, ostensibly be some rich pickings for other airlines. Laker has 17 per cent of the market on the London-New York route; 30 per cent of London-Los Angeles; and 23 per cent of London-Miami. However, higher prices could shrink these markets, removing at least some of the advantages for the remaining airlines.

Laker's package holiday operations have about 9 per cent of the summer market of around five million holidays altogether and rather more of the smaller winter holidays market of just over one million holidays.

At Laker's Gatwick headquarters yesterday, no one could say how many return ticket holders were stranded in the United States. Most Skytrain passengers fly on one-way tickets.

A spokesman for Laker Airways in New York said last night that the United Kingdom passengers in the United States would be accommodated on other airlines without further cost. It would take about a fortnight to repatriate all those with reservations.

Countdown to collapse

Why the banks acted

By Peter Wilson-Smith, Banking Correspondent

By a strange twist of fate, the decision finally to call in the receiver to Sir Freddie Laker's cut-price airline has come in the very week when agreement on a rescue package seemed closer than ever.

On Monday night, Sir Freddie's bankers and advisers were increasingly confident that the negotiations could be tied up within a week or so and the matter then be handed over to the lawyers to draw up the final documents. Next day Sir Freddie was telling the world that he was flying high and his financial problems were over.

His bankers reacted with predictable caution, describing his comments as premature. But it was not until later in the week that the bad news emerged which finally sunk Laker.

New figures showing worse-than-expected ticket sales, combined with disappointing forecasts for cash flow in the months ahead, were the final straw. The whole basis of the rescue package worked out over six months of intense negotiations, involving the Bank of England and Laker's own advisers Samuel Montagu, depended on sufficient cash being available for Laker to keep trading during the difficult winter months.

The gloomy news on Laker's trading position which surfaced this week meant that no one could be confident that Laker would be able to go on paying his bills, even though there had been considerable progress on sorting out the fundamental balance sheet problems.

It was this shortage of cash which precipitated the appointment of accountants Ernst and Whinney as receivers yesterday morning. The previous day, Thursday, Laker's advisers Samuel Montagu had further

What Laker owes the banks.		
	Term	Overdraft
Midland Bank syndicate	£70m	—
Eximbank syndicate	£121m	—
Japanese bank syndicate	£30m	—
Clydesdale Bank	—	£9m
Total	£230m	

By Alan Hamilton
Sir Freddie Laker was in an expansive confident mood. It was May 1979 and he was in Toulouse, showing visitors over the Airbus Industrie production line where the first of his order for 10 wide-bodied jets was taking shape.

When an eager journalist in the party inquired, did Sir Freddie plan to make his first commercial flight in it?
"Let's see," the recently knighted Sir Freddie mused. "I'd like to spend Christmas on my yacht in Majorca, so let's say we'll fly down the Saturday before Christmas, 1980. We'll take off at half past ten in the morning if that suits you, and you're all invited."

Is that all right with you?" he asked of the assembled Airbus executives, who nodded meekly.

The characteristically jovial off-the-cuff statement was doubly significant. By naming a date Sir Freddie had committed the makers to deliver-

ing his first Airbus three weeks early, and by ordering the fleet in the first place he was taking what was to prove one of the few bad business decisions of his life.

Sir Freddie was raised in properly humble surroundings in Canterbury; his father, a merchant seaman, deserted the family when the only child was eight, and his mother had to turn to the unlikely business of scrap dealing to make a living. Laker junior was a dabbler at school, provoking laughter when he gave his life's ambition as "to be a millionaire".

His blinding vision of the future, he says, came when he saw at one time the airship Hindenburg and an Imperial Airways Handley Page flying together in the Kent sky; from that moment his life and his fortune were to be aircraft. He found work in the Short Brothers aircraft factory at Rochester, where he was soon turning his first profit by fetch-

ing his workmates 10 cans of tea, having negotiated favourable bulk rates with the canteen girl.

War-time experience as a ferry pilot gained him flying and engineering qualifications, giving him an intimate knowledge of aircraft that has stood him in good stead ever since.

He had a short spell in the newly created British European Airways immediately after the war, but the bureaucracy was too constricting for a man of Sir Freddie's stamp. With his own and his mother's savings he bought some government surplus trucks and sold them. With the profits he bought a cherry orchard and sold it. With these profits he bought radio spares and sold them.

The Berlin airlift was a god-send to him and many other former wartime aircrew members who were finding it hard to make a living in postwar civilian austerity. Sir Freddie happened to be more successful than most; then, as years

later, his secret was to venture where more cautious businessmen feared to tread.

A chance meeting with an old friend in a public house in Whitehall brought him a £38,000 loan with which he bought BOAC's entire fleet of 12 Halifax bombers converted to passenger use. By the time the Berlin airlift was over he was the owner of 100 redundant wartime aircraft and 6,000 spare engines.

He melted them down and sold the lot to a maker of aluminium saucepans; with those profits he bought his first many Rolls-Royces.

He became managing director of British United Airways, in which role he took on the state air corporations. But Sir Freddie has never been happy as anyone else's employee.

He left BUA in 1965; friends say that it was the frustration of spending much of his working day negotiating with trade unions, rather than running an airline, that drove

him out. Sir Freddie and the unions have never had much time for each other.

Another, rarely mentioned factor, is that about that time his son Kevin was killed in the MG sports car his father had given him for his seventeenth birthday, and which he says he had "doctored" so that it was not capable of high speeds.

He founded Laker in 1966, and did well in the burgeoning package holiday business, but it was not until 1971 that he announced Skytrain and began the long battle against the British and American governments, and what he saw as the artificially high prices of transatlantic air tickets.

He found an ally in Lord Boyd-Carpenter, former Tory minister and new head of the Civil Aviation Authority, who must have seen in Sir Freddie the embodiment of the Heath vision of an enterprising capitalist.

His unashamedly daredevil

approach to business, his talent for flying right up to the legal limits of accepted practice, not so much to break the sound barrier as to extend it, have brought him much wealth, including a spacious house in Sussex, a 1,000-acre farm in Surrey, a stud farm of 24 thoroughbreds at Epsom, and an 85-ton yacht, *Turquoise*.

His personal life has been less successful. He has been married three times; his present wife, Patricia, recently won an injunction in a court in Florida forbidding Sir Freddie from taking away their son aged three. The couple's first child died at birth.

As recently as last month, with sterling falling against the dollar, trouble mounting over repayments for his DC10s and Airbus, and the clouds gathering over his airline, he was typically defiant. "The day Freddie Laker stops flying aeroplanes," he told a reporter, "the fares will go up and up."

The airline buccaneer

Dauntless champion of the cut-price traveller



Laker and Skytrain—the image that, with his low fares, endeared him to the travelling public

Fares now

Going up, but not by much—yet

By Michael Bailey, Transport Correspondent

Laker's collapse means that Atlantic air fares will go up 15 per cent in March and another 7.5 per cent in May on several routes. Details of the increases were disclosed in *The Times* on Monday with the reservation that they might not happen—because of Laker.

Laker was not a member of IATA, which set the new fares—the whole idea of it was anathema to him—and so long as he was around there was always a chance of his maverick refusal to go along with them, even though he needed them more than anyone. Others would then have refused, too.

But, in view of yesterday's events, presumably if Laker had lasted until March his fares would have had to go up. Perhaps that prospect was an influential factor in the timing of the announcement. It was a matter of fierce pride to him to be the great price-cutter, the consumers' champion.

It was that pride which last autumn made him refuse the blandishments of banks and government departments for a fare rise then. Had he done so, Pan Am would not have needed to cut their fares in November and so "put the boot in".

Having come down, fares will stay comparatively low, in my view, at least for the next three years while substantial over-capacity is over-hanging the market. Laker may have seen an ardent practitioner of deregulation, but he did not invent it.

Competition should see to it that Atlantic fares never

matched. Thus Air Florida, another arch-price-cutter formerly headed by Mr Acker, said yesterday: "From now on we know that if we stay down others will come down too. While if we go up, everyone will go up."

Atlantic air fares will go up—after £250m combined losses last year; but it will not be by much. return to excessive levels, even in the longer term. The learning experience of the Atlantic airlines over the last five years should also ensure fewer fits and starts—in other words, a more controlled competition.

Pan Am's chairman, Mr Ed Acker, ensured this when he warned last autumn that in future there would be no comfortable spots from which competitors could undercut his company. Price cuts would be

Proposed fare changes London—New York				
	Current	New fare	% change	
One way				
First Business (Winter)	£917	£946	+ 3	
First Business (Summer)	£915	£915	0	
Economy (Winter)	£124	£143	up 15	
Economy (Summer)	£124	£143	up 15	
Standby (Winter)	£90	£98	up 10	
Standby (Summer)	£90	£98	up 10	
Return Super Apex (Winter)	£223	£257	up 15	
Return Super Apex (Summer)	£220	£252	up 15	
Return Super Apex (Summer)	£114	£322	up 15	

Flightpath for Laker

1948

Laker borrows £38,000 to buy 12 ex BOAC Halton planes. The Berlin airlift sets him on his way to 10 years of independent charter operation, including channel air ferries.

1960

Civil Aviation Act ends state monopoly of scheduled passenger services. British United Airways, with Laker in a key role, attempts to take on BEA and BOAC.

1965

Laker leaves BUA to form his own airline, "A contract carrier to the package holiday trade and a personalised airline".

1971

Laker announces Skytrain and orders new wide-bodied DC10s to begin the battle against the British and US governments for cheap transatlantic air fares.

1973

First Laker DC10 flies to Majorca. Oil prices and intense competition leads to collapse of Court Line package holiday business.

1974

Laker calls Department of Trade officials opposed to Skytrain "bums and gangsters". Lord Denning backs Skytrain.

1975

Mrs Thatcher chooses Laker to fly, as Opposition leader, on first visit to North America.

1977

After long United States battle President Carter gives Skytrain the go ahead.

1979

Civil Aviation Authority grounds all DC10s after Chicago air crash. Laker estimates the cost to him at £13m.

1980

Plans for European Skytrain blocked by United Kingdom Government.

1981

Laker takes delivery of first of 10 proposed European Airbus. Trouble over £130m loan repayments for DC10s and Airbus as sterling falls against the dollar.

1982

Loans crisis ends in collapse.

Transatlantic reaction

Downfall dismays US

By Staff Reporters

he said, most of whom were formed into a trade association at Sir Freddie's encouragement, "but that will be no good for them now. They will not have the resources. I am certain that many, many of them will be regretting it today."

Criticism of Sir Freddie came from the staff association he helped to set up to keep unions out of his company.

"As long as you have scheduled air services," he said on the BBC's *World at One* programme, "you have got to have some regulation of prices, otherwise the profitable routes will simply be creamed off at profitable times and other services will become totally unprofitable and will be withdrawn." He saw an immense symbolism in Sir Freddie's demise. "He was meant to be a symbol of successful, Thatcherite free enterprise Britain. He has now gone down and what has brought him down is the failure and recession and the slump that Mrs Thatcher's policies have engendered."

The trade unions, who fought a series of unsuccessful battles for recognition with Sir Freddie, said the crash was no surprise.

Mr Russell Miller, of the white-collar Association of Scientific, Technical and Managerial Staffs (ASTMS), which has about 14 members in Laker, said: "We see the books of other companies in this very competitive field and they are going very close to the wind. If Laker could undercut them with his capital expenditure as well it was obvious that he was sailing much too close." Not much could be done for the staff,

pany. Alison Fravolini, vice-president of the association, said the first she heard of the crash was through the media.

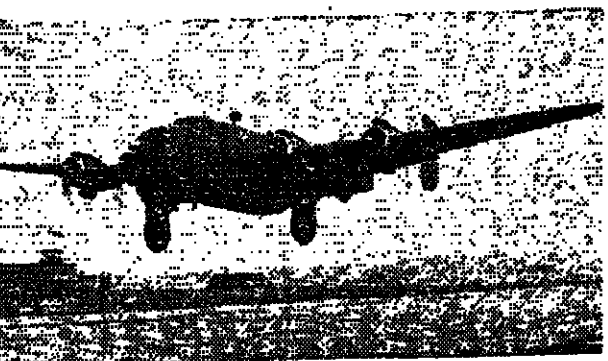
"It is very difficult to work for a folk hero. He is a buccaneer, but from our point of view we have compulsory overtime, no pension scheme, no health plan and our junior cabin crew have found themselves eligible and in receipt of supplementary benefits for the low pay. This is the thing that the general public does not know about."

None the less, Sir Freddie had generated the loyalty that made the staff stick with him. "We have not had a pay rise in four years and the last time he came to see us was to ask us to sacrifice two 5 per cent threshold payments. When the going was good we have had not very much from Laker Airways."

Mrs Evelyn Heyward, New York representative of Laker Airways, said that Sir Freddie was there until Wednesday night making commercials for television and radio. "I saw the rushes for one with Sir Freddie talking to passengers and showing them the different types of services, and it was really good."

Mr Norman Clement, Mayor of Miami Beach, said he was shocked and deeply saddened at the news. "No one will ever realize quite how much Sir Freddie did for our area in the past few years. He literally kept the Miami Beach economy alive," he said.

Lady Laker, Sir Freddie's estranged wife, said last night that she was confident he would bounce back. "He has a lot of other interests, his farm and his stud and stocks. I have no doubt whatsoever that he will survive," she said.



Aircraft along the Laker air-lanes: above, the Halton (converted RAF Halifax), 1947



The Carvair, converted DC4 by Aviation Traders, Laker's Southend engineers, for cross-Channel traffic



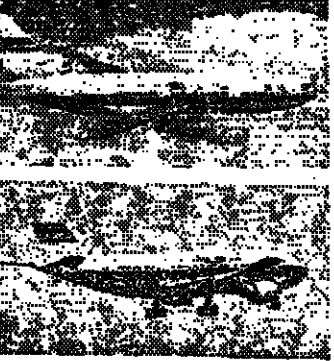
The BAC-111—Laker bought it for BUA before he went independent



BAC-111 in Laker colours: he also bought VC-10s



The Skytrain DC10 (top): and Laker's airbus



The Skytrain DC10 (top): and Laker's airbus

PARLIAMENT Feb 5 1981

British Airways will be sold in spite of Laker's downfall

AVIATION

The changing rate of the pound for the dollar after he had taken over the airline had caused a recession in air travel had caused the deterioration in Sir Freddie Laker's traffic figures, Mr. Iain Spratt, Under Secretary of State for Trade said in a statement following a statement on the collapse of Laker Airways.

Mr. Clinton Davis (Hackney Central, Lab) a former junior minister for aviation matters, had asked the minister to look again at the question of an inquiry being held under section 165 of the Companies Act saving regard to the totally useless statement made only two days previously by Sir Freddie Laker by which passengers, creditors and others might well have been misled, Mr. Spratt said that he would do so.

The Minister also added that British Caledonian, Pan Am and Florida Airlines had taken home stranded Laker passengers.

Mr. Spratt said that in the event that the receiver decides to cease operating flights passengers who have paid for bookings for a package holiday would be protected on the first instance by the bond (guaranteed by the bank) which Laker's tour operating companies provide as a condition of their Air Travel Organisers' licences. This bond would be immediately available to enable alternative arrangements to be made to bring home people who are already abroad.

Those who had booked but not yet travelled could seek compensation from the bond, and if it proved insufficient to meet all legitimate claims, from the Air Travel Reserve Fund.

These arrangements would not cover those travelling on Sky-travel scheduled services. If Laker services were no longer operating they would have to travel by alternative means. If they had unused tickets they would be in the position of uninsured creditors, unless they could exchange them for valid tickets issued by another airline.

I understand that the receiver is exploring every possibility of minimising the inconvenience suffered by passengers, and it will become clearer when he has had a little more time how this can be done. Travellers affected should therefore be kept informed of any developments in the matter.

Mr. Kenneth Woolmer, an Opposition spokesman on Trade (Battersea, Morley, Lab): Can we be assured holidaymakers will get their money back, that funds are adequate and that the receiver will be made quickly to individuals and families can make alternative holiday arrangements?

The position regarding passengers booked on scheduled services is not clear. How many are there and what can be done?

Would the minister consider it appropriate to appoint an inspector under the powers he has under the Companies Act in order to examine the affairs of recent months?

What does he intend to do about route licences, how many are involved and how many interests of British Airways and our commercial interests to be safeguarded?

Does this not show there is an urgent need to review British aviation policy by the Government. The failure to have any policy makes me feel that I received a few days ago to my questions about the North Atlantic Route, were a sham then and are now. Will the minister go away, learn his lesson and bring back to the House a proper review of events and a policy? (Labour cheers)

Mr. Spratt: We share his concern about passengers. The first priority will be adequate from the bonding arrangement and from the Air Travel Reserve Fund. The total available is £25m. That will certainly cover those on charter holiday packages.

As for how many scheduled passengers are involved, we understand it is of the nature of 5,000 on each side of the Atlantic. There are 2,600 employees and certainly everything will be done to safeguard them. So far we have no evidence that an inquiry by any department, particularly the Department of Trade, under Section 165 of the Companies Act, 1948, would be justified. If the receiver decides to cease operations, we will be able to seek one by law without further delay.

If the company should subsequently go into liquidation, it will be the duty of the liquidator to carry out a full investigation of the circumstances and report to the court. It is not for me to say whether any impropriety has occurred.

As for route licences, at the European level, the present Laker Airways had a kind of blanket charter, at the moment running charter flights into five countries of Europe and into North Africa — Morocco and Tunisia.

In the United States he was running services to New York, Los Angeles, Miami and Tampa and on these specific licences, the appropriate aviation authority on both sides of the Atlantic — on this side the Civil Aviation Authority — will look at them and see what can be done, and who may apply for them. Laker Airways give them up. We remain convinced that we

should strive for a better deal for the consumer, that we should pursue our policy of competition with the needs of the airlines. That has been and will continue to be our policy.

Mr. David Steel, Leader of the Liberal Party: This pathetic statement by a junior minister who is not even a Member of Parliament is a disgrace. We have all been conscious of the fact that Sir Freddie Laker and his company were the jewel in the crown of the free market economic theories of the Government.

Mr. Robert Croyer (Kingsley, Lab): And the Liberals? Mr. Steel: No, not the Liberals, and they have become the latest victims in the coffin of those theories.

Does the Government still believe the CAA has a duty to balance the needs of the consumer to get competitive air fares, the interests of the taxpayer in the support of British Airways, and interests of other airlines?

When are we going to get a statement on aviation policy? Mr. Spratt: One of the results of our policy in the North Atlantic last year was that three British airlines flying the North Atlantic, carried more passengers and carried more cargo than any other airline. That is a tremendous achievement.

It is precisely that balance between stability for the airlines and benefit for the consumer that we intend to continue to pursue.

Mr. Michael Neuber (Havering, Romford, C): Free enterprise is unlikely to be able to compete with state subsidised public corporations in conditions of world recession. It is ironic that British Airways, made a loss of £12m last year and is still flying whereas Laker Airways, with half that debt, is in receivership.

Has there been any response from other British carriers, like BA and British Caledonian, in offering to help Laker passengers?

Mr. Spratt: Sir Freddie is a great man who has done wonderful things for passengers. It is and it will remain this Government's firm policy to privatise BA as soon as practicable. (Labour interruptions and protests.)

BA's pre-tax loss was £141m last year. We have to look closely at how taxpayers' money is being used to fund these nationalised industries.

Having said that, I spoke to Sir John King, the BA chairman, this morning, and to the British Caledonian chairman, Mr. Adam Thompson. Both made generous

statements on how they were going to help any stranded passengers. Mr. Thompson said he would fly passengers back to the UK if necessary. This shows what free enterprise will do.

Mr. David Ennals (Norwich, North, Lab): Many of us would be horrified by Mr. Spratt's threat to privatise BA. It would then, presumably, go down in the same way as Freddie Laker has gone down.

Does the minister not feel any sense of responsibility? If Laker Airways was the prime example of successful private enterprise, why has the Government raised such a fuss to take it over?

Mr. Spratt: It has been our policy to privatise BA since 1979. Last year private airlines overall in this country made an overall profit. On Laker's Sir Freddie Laker, on formal approach, was made by officials of Laker Airways to my department and we do not consider it appropriate to intervene.

Mr. Robert McCrindle (Brentford, North, C): Will he extend discussions beyond British Airlines to those in competition with Laker across the Atlantic to bale out passengers who become stranded? What is the position of small travel agents who may have sold advance tickets and may well face suits from stranded passengers?

Mr. Spratt: It is true that the taxpayer is having to pay vast amounts of money to sustain British Airways. The present Laker Airways had a kind of blanket charter, at the moment running charter flights into five countries of Europe and into North Africa — Morocco and Tunisia.

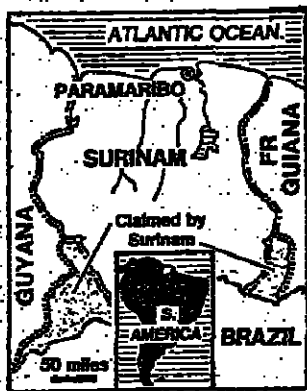
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should strive for a better deal for the consumer, that we should pursue our policy of competition with the needs of the airlines. That has been and will continue to be our policy.

Mr. Michael Hamilton (Salisbury, C): The sponsor, recalled even at Salisbury 15 years ago when what was supposed to be a public inquiry took place behind closed doors, that was disturbing in outlining his campaign he said he

NEWS IN SUMMARY

Civilians ousted in Surinam



Paramaribo. — Surinam's National Military Council announced that it had re-assumed direct rule, after the resignation of President Henk Chin A Sen and his cabinet.

The Council said that the move followed "policy disagreements", but it gave no details.

The Council has ruled the former Dutch colony, on the north coast of South America, since seizing power in February, 1980. Dr. Chin A Sen's mainly civilian Government was ousted with the support of the army in August of that year, but the Council continued to exercise control over the country.

A four-man military committee has taken over the day-to-day administration. It is headed by Lieutenant-Colonel Deyl Bouterse, the Army Commander and chairman of the National Military Council. Colonel Bouterse has said that a new civilian government will be formed "as soon as possible".

Report on May case 'imminent'

Camerino, Italy. — A British doctor will perform a new post-mortem examination on the remains of Mrs. Jeanette May and her Italian friend, Signora Gabriella Guerin, to determine the cause of the two women's deaths.

Dr. Keith Simpson, a Home Office pathologist, expects to make the results public over the weekend, according to the Italian police. They have denied Italian press reports that the women might have been strangled. Spots of blood found on Mrs. May's neck vertebrae could have been caused by the decomposition of the bodies or by mud, the police said.

Ugandan MP shot dead

Nairobi. — Gurnian in Kampala have shot dead Mr. George Bamuturaki, a leading opposition MP and Mr. Z. Okaka, general manager of Uganda's National Housing and Construction Corporation.

At least six others were injured when the gunmen opened fire on the press reports outside a bar in the Kampala district, two miles from the city centre. Mr. Bamuturaki was the Democratic Party's shadow minister of lands, minerals and water resources.

Truman's Oval Office bugged

Washington. — Harry Truman has joined Roosevelt, Truman, Eisenhower, Kennedy, Johnson and Nixon as a President believed to have been bugged in the Oval Office during Truman's tenure. (They are really untrustworthy, he said.)

Mugabe holds merger talks

Salisbury. — Mr. Robert Mugabe and Mr. Joshua Nkomo, accompanied by major aides, have been in talks which centred on the possibility of merging Zimbabwe's two main political parties. (Stephen Taylor writes.)

Mr. Mugabe, the Prime Minister, said recently that he was to have talks about a merger with the Patriotic Front but Mr. Nkomo sharply denied that talks had been scheduled.

Ex-terrorist freed

Rome. — Carlo Fiorini, the first convicted terrorist to collaborate with the Italian police, has been released from prison in Matera. He was sentenced to 27 years' jail for his part in 1974 in a fatal kidnapping, but on appeal his sentence was reduced to 10 years.

American Castro

Miami. — Dr. Fidel Castro's younger sister, Juanita Castro, became a United States citizen in a ceremony at a Miami auditorium. Miss Castro supported her brother's Cuban revolution before he took power in 1959, but turned against him soon afterwards and came to the United States by way of Mexico in 1964.

Road to Tibet

Hongkong. — China will provide about £14.5m and technical aid to help to repair 16 miles of road linking Nepal and Tibet, damaged by floods four months ago.

Bundestag majority of 43

Schmidt wins confidence vote

From James Hutchinson, Bonn, Feb 5

Herr Helmut Schmidt, the West German Chancellor, today won a resounding parliamentary victory for his coalition Government's domestic and foreign policies. Without exception, the coalition deputies — 216 Social Democrats and 53 Free Democrats — voted in the Bundestag in favour of the Chancellor's motion for a vote of confidence.

This gave the Government a majority of 43 over the Christian Democratic Opposition. The result was greeted with prolonged applause from the coalition benches. But predictably, the Opposition says the vote proves nothing, except that the Government is in desperate straits.

Herr Schmidt took the unusual step on Wednesday of asking for a vote of confidence after he had launched a three-year programme to fight unemployment, which has now reached almost two million. But he made it clear in the Bundestag that was asking for support not only for the jobs programme, but for the whole range of Government policy.

His intention, he said, was to clarify the course of the coalition's economic and peace policies both at home and on the international scene. He admitted that the necessary clarity had been missing in recent weeks, not least because of squabbles within the coalition about the measures to promote investment.

Voters, he said, needed to be sure that the four-year mandate given to a Government in 1980 would indeed be carried out, and that this mandate was based on a sound parliamentary majority. West Germany's allies and the East European states must also be left in no doubt as to where the Government stood.

"I am asking for confidence," he said, "in the continuity and reliability of my foreign and domestic policies."

He claimed that in the 12 years of its existence, the coalition had not only worked successfully for peace and understanding, but had also made economic progress and promoted social progress and consensus.

International economic setbacks, tension in East-West relations and the danger of an arms race had caused the Government to take stock of its position. "The result of its stocktaking is that we shall stay on course not only for weeks or months, but in the long term."

But the Chancellor's motive in invoking his constitutional right to ask for a vote of confidence was not merely to clear up doubts about his government's policies. He wanted to demonstrate his parliamentary strength and to show up the Opposition in a bad light. At a time of rampant unemployment the Christian Democrats' rejection of much of the programme will not be popular.

Dr Helmut Kohl, the Opposition leader, declared that the Chancellor had lost the trust of most Germans. The Government was weak, he claimed, and was hanging on to office by Kohl's support. He said the only correct government was only partly correct. Herr Schmidt is still the most popular politician in the country, but the opinion polls show that his Government would lose an election now.

The last Chancellor to ask for a vote of confidence was Herr Willy Brandt in 1972.

He had not treated his former television announcer wife badly, he said. He was not linked to the underworld. He had a psychiatrist's report to prove that he was not a violent character, and sworn statements from 20 neighbours to show that he was a loving father who only cared for the welfare of his daughters.

On the other hand, he insisted, he was the victim of a witch-hunt conducted by his former wife's family and his friend Graham Greene. This was nothing new, said Mr. Schmidt, who had taken the trouble to write to the prefect of the Alpes-Maritimes department complaining about the indecorable attitude of any ex-family-in-law and of Mr. Graham Greene.

The author, he said in the letter, had threatened to use the press against him after having already brought high-level pressure to bear to get a psychiatric opinion by an investigator from Paris into allegations that he had held a mistress prisoner and had beaten her up, breaking her nose.

The 41-year-old man refused to allow his full name to be used, preferring to be known simply as "Daniel". Slim, and dark haired, he introduced himself sardonically to me this morning as "the famous Marxist".

His lawyer, Maître Patrick Lorenzi, had legal proceedings being started against a French newspaper which had named his client's firm and that other legal actions would probably follow. He said he was not sure whether Mr. Greene might be included among them.

Through the two and a half hour conversation with me and two French reporters, Daniel maintained the perfect picture of injured innocence. He said he had no criminal record, but insisted it had been a youthful folly and was now behind him.

As for the main matter raised by Mr. Greene in a letter to the *Times* 10 days ago and in an interview with the *Sunday Times* last week, Daniel insisted that the story was untrue. He said he had never been involved in the fight between his wife and himself over custody of their daughter, with accusations that Nine was the victim of a criminal milieu run by corrupt police and lawyers against whom formal justice was powerless.

"I ask today to be confronted with Graham Greene and I ask him to bring forward his proof," he said at the meeting ended. "I just hope nothing happens to him, for my sake."

According to Daniel, he had been wrongly accused. As a case he had been built up against him out of "rumours and yellow stuff".

He produced court records confirming his custody of his elder daughter and claimed that his former wife's signature on the papers showed that she agreed he look after the girl.

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He claimed that in the 12 years of its existence, the coalition had not only worked successfully for peace and understanding, but had also made economic progress and promoted social progress and consensus.

International economic setbacks, tension in East-West relations and the danger of an arms race had caused the Government to take stock of its position. "The result of its stocktaking is that we shall stay on course not only for weeks or months, but in the long term."

But the Chancellor's motive in invoking his constitutional right to ask for a vote of confidence was not merely to clear up doubts about his government's policies. He wanted to demonstrate his parliamentary strength and to show up the Opposition in a bad light. At a time of rampant unemployment the Christian Democrats' rejection of much of the programme will not be popular.

Dr Helmut Kohl, the Opposition leader, declared that the Chancellor had lost the trust of most Germans. The Government was weak, he claimed, and was hanging on to office by Kohl's support. He said the only correct government was only partly correct. Herr Schmidt is still the most popular politician in the country, but the opinion polls show that his Government would lose an election now.

The last Chancellor to ask for a vote of confidence was Herr Willy Brandt in 1972.

He had not treated his former television announcer wife badly, he said. He was not linked to the underworld. He had a psychiatrist's report to prove that he was not a violent character, and sworn statements from 20 neighbours to show that he was a loving father who only cared for the welfare of his daughters.

On the other hand, he insisted, he was the victim of a witch-hunt conducted by his former wife's family and his friend Graham Greene. This was nothing new, said Mr. Schmidt, who had taken the trouble to write to the prefect of the Alpes-Maritimes department complaining about the indecorable attitude of any ex-family-in-law and of Mr. Graham Greene.

The author, he said in the letter, had threatened to use the press against him after having already brought high-level pressure to bear to get a psychiatric opinion by an investigator from Paris into allegations that he had held a mistress prisoner and had beaten her up, breaking her nose.

The 41-year-old man refused to allow his full name to be used, preferring to be known simply as "Daniel". Slim, and dark haired, he introduced himself sardonically to me this morning as "the famous Marxist".

His lawyer, Maître Patrick Lorenzi, had legal proceedings being started against a French newspaper which had named his client's firm and that other legal actions would probably follow. He said he was not sure whether Mr. Greene might be included among them.

Through the two and a half hour conversation with me and two French reporters, Daniel maintained the perfect picture of injured innocence. He said he had no criminal record, but insisted it had been a youthful folly and was now behind him.

As for the main matter raised by Mr. Greene in a letter to the *Times* 10 days ago and in an interview with the *Sunday Times* last week, Daniel insisted that the story was untrue. He said he had never been involved in the fight between his wife and himself over custody of their daughter, with accusations that Nine was the victim of a criminal milieu run by corrupt police and lawyers against whom formal justice was powerless.

"I ask today to be confronted with Graham Greene and I ask him to bring forward his proof," he said at the meeting ended. "I just hope nothing happens to him, for my sake."

According to Daniel, he had

White S African doctor dies in police detention

From Michael Hornsby, Cape Town, Feb 5

A young white trade unionist, detained under South Africa's stringent anti-terrorist laws, was found dead in his cell at Security police headquarters in Johannesburg early today.

The police said that Dr Neil Aggett had hanged himself. It is the first known death in a South African prison since Steve Biko, the Black Consciousness leader, died in September, 1977, from injuries sustained while being held for interrogation.

According to the South African Institute of Race Relations, Dr Aggett is the forty-sixth person to have died in security police custody since 1963 when the institute began keeping records. He is also believed to be the first white detainee to have died.

Dr Aggett, who was the Transvaal secretary of the African Food and Canning Workers' Union, was found dead only a day after Mr Louis Le Grange, the Minister of Police, had assured Parliament that all reasonable precautions were being taken to see that detainees were prevented from hurting themselves or being hurt in any other way or committing suicide.

The official statement by the Commissioner of Police, General Mike Geldenhuys, read as follows: "We confirm Dr Neil Aggett (aged 27) was being held in terms of Section 6 (1) of the Terrorism Act in the police cells at John Vorster Square.

"At 1.30am, February 5, he was found hanged in his cell and everything indicates that he committed suicide. When he was visited in the cell 30 minutes before he was discovered dead, everything was in order. His father and sister were informed of his death and an inquest investigation is being conducted by the CID of the South African police. The docket will be forwarded to the Attorney General of the Transvaal as soon as possible.

In a telegram to Mr P W Botha, the Prime Minister, the Detainees' Parents Support Committee said it was appalled at Dr Aggett's death, which "confirms that detention and interrogation place intolerable pressures on detainees".

The committee asked why detainees should want to hurt themselves, "if it were not because of lengthy detention in solitary confinement, intolerable pressure of interrogation under bullying, threatening and even blackmail conditions, without any recourse to outside help".

Dr Aggett was detained last November in a police roundup of politically active trade unionists, students and church leaders. He was first held under provisions allowing detention for up to 14 days without trial but then re-detained under the notorious Section 6 of the Terrorism Act.

This makes it possible for people to be held incommunicado and without charge indefinitely if police suspect they possess information relating to security offences or which could be used as material evidence against others charged with such offences.

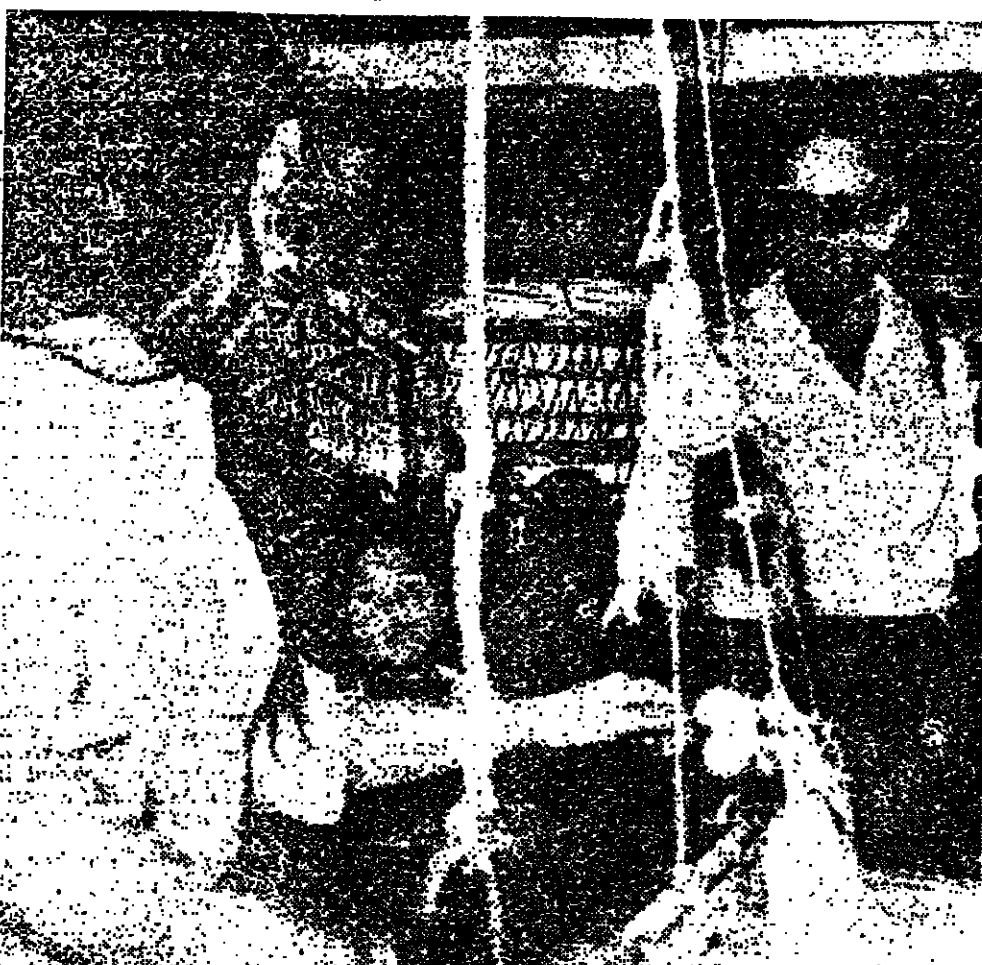
In parliament earlier this week, Mr Le Grange told MPs to expect a big trial of detainees later this year, but gave no further details. He also said that 133 persons were being held under the security laws, not counting those in 14-day detention.

Friends, relatives and trade union colleagues of Dr Aggett, who trained as a doctor at the University of Cape Town, today described him as very stable and the last person they would have expected to kill himself.

"I would say he was a remarkably stable kind of a guy. Either he was subjected to pressure beyond belief or he was killed", Mr David Lewis, secretary of the General Workers' Union, said.

Dr Aggett's own union is one of a small number of multiracial, though predominantly black, independent and unregistered trade unions which have become more militant in the past two years. They are subjected to constant police harassment.

A statement issued by Mr Jan Theron, the general secretary of the union said: "No inquiry by the police or their minister will convince our union or the thousands of workers he represented that Neil Aggett took his own life."



Shells greet Carrington

Lord Carrington, the Foreign Secretary, watching a Cambodian girl refugee operating a loom at a refugee centre near the Thai-Cambodian border yesterday.

In the hour before Lord Carrington, who is on an official visit to Thailand, arrived at the camp at Nong Chan two Vietnamese shells came crashing in and a resistance fighter stepped on a landmine just across the border in Cambodia, injuring himself badly (David Watts writes from Nong Chan).

Terrified women were late to pick up their food at a regular distribution, fearful of more Vietnamese shells, and Thai Red Cross workers preparing to meet the Foreign Secretary missed his arrival when they took the unfortunate guerrilla to hospital.

The life of the refugees on the Thai-Cambodian border was going on much as it has done since the Vietnamese invasion of Cambodia in 1979. Only the camps have taken on a permanent air.

Lord Carrington saw carefully cultivated plots of vegetables not far from the neat rows of reed huts that are home to more than 40,000 refugees at Nong Chan. Nothing could better symbolize the impasse between the countries of the Association of South-East Asian Nations (Asean) and Vietnam over the situation in Cambodia.

The Nong Chan camp is on the border and the Vietnamese army front line was only two miles away from the Foreign Secretary. Lord and Lady Carrington saw food being distributed to some 13,000 Cambodian women and girls, a special feeding programme for young mothers and the hospital area. The Foreign Secretary was pleasantly surprised by the apparent order and cleanliness. "It's surprisingly unsmelly", he said at one point.

Banks battle ends without tears

From Charles Hargrove, Paris, Feb 5

The great parliamentary battle over nationalization, which began in the Autumn, ended today to the undisputed relief of both the Government and Opposition.

The new Bill transferring to state ownership five industrial groups and 36 private banks, which took into account the objections of the Constitutional Court to the first Bill, was finally adopted. At its third reading by the National Assembly this afternoon.

The Bill has yet to overcome a final hurdle. The Opposition in the Assembly has referred it for a second time to the Constitutional Court on the grounds that it infringes the basic law.

Under the emergency procedure which the Government has adopted, the court has a week to render its verdict.

The opinion of experts is that this time it will raise no objections. The law could therefore be promulgated

around the middle of this month.

The Opposition fought a rearguard action against the Bill without much conviction, and gave up the idea of a repeat performance of the battle of amendments which had marked the debate on the first Bill. The Government was reluctant to resort once again to the blocked vote, but used the threat of it. Along with the emergency procedure, to get the Bill through.

Coup trial demand for 30-year sentences

From Richard Wigg, Madrid, Feb 5

The chief military prosecutor in the forthcoming trial of Army officers accused of involvement in last February's coup attempt has presented his main charges to the defence lawyers and demanded 30 years' imprisonment each for the main defendants.

This is the maximum sentence for military rebellion, and conviction would also mean dismissal from the Army. The prosecutor's demand comes after 11 months of investigations.

Those facing 30 years are Lieutenant General Jaime Milans del Bosch, the former captain-general of Valencia; General Alfonso Armada, the former deputy chief of the Army; and Colonel Antonio Tejero, the officer commanding the Civil Guards whose seizure of Parliament on February 23 went on television round the world.

General José Claver Torrente, the prosecutor, has decided to reduce the sentences demanded for a major who was General Milans's aide, and for the sole civilian among the 33 charged, Señor Juan García Carres, from 12 years' jail to 10.

Reductions of three to four years are also sought on a total of 23 accused, chiefly Civil Guard captains and lieutenants.

The prosecution's conclusions were passed by defence lawyers to a local news agency. They will form the basis of the opening prosecution statement at the trial, the date for which has yet to be fixed by the Supreme Council of Military Justice. The date generally expected is February 18.

One of General Claver Torrente's most significant conclusions is that General Armada, a former close aide of King Juan Carlos, allegedly agreed the coup plot with General Milans at the meeting in Valencia on January 10 last year.

The Government is taking very seriously intelligence reports that hardline elements of the politico-military wing of the Basque separatist group ETA have decided to return to acts of violence, after suspending them at the time of the coup attempt.

The Cabinet's special committee on the security of the state, chaired by the Prime Minister and only set up in December, analyzed the reports last night.

NEWS IN SUMMARY

Deployment of SS20s boosted

Bonn. — West Germany said yesterday that the Soviet Union's arsenal of medium-range nuclear missile warheads had reached an all-time high and there was no sign Moscow had stopped deploying its SS20 missiles.

Herr Lothar Ruelh, a government spokesman, quoting latest Western satellite intelligence, said the Kremlin had now deployed 280 of the triple-warhead missiles, with a total of 840 warheads. Five more firing bases were still waiting to be equipped, he said, and each base contained nine missile launchers.

The Soviet Union was slowly withdrawing its obsolete single-warhead SS4 and SS5 missiles, but 300 of these were still deployed, he said.

Deng attacks bureaucracy

Peking. — Vice-Chairman Deng Xiaoping, who has not been seen in public for more than three weeks, has given a speech on trimming China's top-heavy bureaucracy, official Chinese sources said.

The sources, speaking after speculation about Mr Deng's whereabouts, said he had given the speech in Peking during the past two weeks. Official announcements have constantly said China's key leader was in the best of health without saying where he was.

Cabinet changes by Nyerere

Dar es Salaam. — President Julius Nyerere of Tanzania has announced extensive changes in his Cabinet including the dismissal of Mr Joseph Mungai, the Agriculture Minister.

The new Agriculture Minister is Mr John Baptist Machunda, formerly an associate professor of agriculture at Dar es Salaam University.

Italian kidnapped

Pistoia. — Four bandits armed with pistols and a sub-machine gun kidnapped Signor Osvaldo Ferretti, an industrialist, from his factory. They dragged him into a lorry after tying up two employees. Italian police said.

Mercenaries accused of treason in Seychelles

Victoria, Seychelles, Feb 5 — Seven foreigners, including a Briton, accused of participating in an unsuccessful mercenary invasion of the Seychelles, were today charged with treason, an offence punishable by death.

The six white men and a South African woman, alleged to have been an accomplice, are the first people to be charged with treason in the Seychelles. They were captured after a battle for the international airport here between a mercenary force and local troops on November 25.

There had been doubts among legal experts whether foreigners could be charged with treason but Mr Bernard Rassool, the Attorney-General, maintained that the law covered foreign nationals as

well as the people of Seychelles.

The seven accused — four South Africans, two white Zimbabweans and a Briton — were also charged, in the Supreme Court with waging or preparing to wage war against the Seychelles. The death sentence for treason is not mandatory but there has been public pressure for the mercenaries' execution.

Forty-five mercenaries involved in the abortive Seychelles coup have been warned not to cooperate under any circumstances with the special United Nations commission investigating it, the *Rand Daily Mail* said today (AFP reports). The three-man commission arrives in Johannesburg today for talks with South African security officials.

RUSSIANS' BOSPORUS BUMPS

From Our Correspondent, Ankara, Feb 5

Three Soviet merchant ships have been involved in collisions in the Bosphorus this week, highlighting the increasing need for international mandatory rules to regulate the passage through the narrow strait.

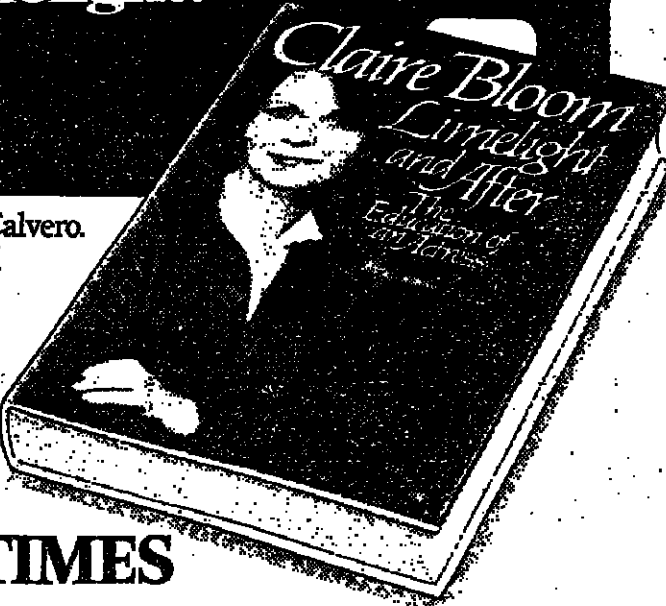
Today a Soviet cargo ship, laden with ammonia, rammed into a moored cargo ship at Istanbul port and then struck a military pier where Nato installations are located.

Yesterday, in a blizzard, a head-on collision occurred between two Soviet cargo ships, Chernigov and Izhora, in the busy waterway joining the Black Sea with the Mediterranean.

On Wednesday the Soviet ship Profsoyuz rammed a moored Turkish ship.



Tomorrow...
Claire Bloom on the man
who wasn't afraid
to share the limelight.



Picture it...
On the one hand, Hollywood's most famous and accomplished actor/director. At 62, hounded for his political beliefs and yet loved the world over, he is about to embark on the creation of his 'masterpiece'.
On the other, a beautiful, talented and almost completely unknown young English actress.
She is 'discovered', her photograph is sent to the States, and within a year her name is up in lights — next to his.

It sounds more strange and improbable than Hollywood's most romantic fiction. But the truth, of course, often is.
Claire Bloom's account of her own meteoric rise from obscurity to fame, "Limelight and After", makes fascinating reading.
Not the least for its insight into Chaplin during the making of "Limelight".
Glamour, romance, tenderness, fear... young and over-awed, Claire Bloom played a willing subject to Chaplin's Svengali.

She played Theresa to his Calvero.
And in her heart, she played Juliet to his Romeo.
Read all about it.
In the first of a two-part serialisation in the Sunday Times.
Tomorrow.

THE SUNDAY TIMES

The girl I saw become a Queen

Queen Elizabeth II acceded to the Throne 30 years ago today. Sir Harold Wilson, who headed four administrations under her, pays a personal tribute.

The traditional formula is: "Can you form a government?" to which the traditional answer is a hurried affirmation. The alternative, in a hung election, is: "Your Majesty, I will go along and try" — meaning that he will seek allies in the House to give him a parliamentary majority, or at least the chance of one.

In the first case the sovereign informally tells her visitor that he is Prime Minister; in the second, he begins work on urgent problems while entering into treaty discussions with possible allies. Should all parties, and groupings of them, fail to create a working majority, it would be her responsibility to call another election on, of course, the advice of the last potential prime minister she has been able to unearth.

It is not her duty to assess whether a potential prime minister can form a government — that is his duty. After the "hung" election of 1974, when Edward Heath's government had failed to record a majority, British democracy stood still, while Ted vainly sought an understanding with the Liberals. The monarchy in Britain has gone through great vicissitudes in popular esteem and enthusiasm for more than a thousand years. There have been wars and rebellions, great clashes between dynastic contenders for the throne, breakaway monarchies, civil conflict and, indeed, international wars over the right kingship (and in the case of the first Queen Elizabeth, queenship) were bitterly and sometimes bloodily contested. Just a hundred years ago,

when Britain's sovereignty reigned unchallenged across the five continents, Queen Victoria lived alone and withdrawn, portrayed by a leading poet as *The Widow at Windsor* swathed in her black mourning, little seen by her people. There was even in the country an undercurrent of Republicanism and inevitably ambitious or disillusioned men sought to exercise their constitutional imagination as they drafted paper constitutions.

Some commentators, even in text-books, seem to suggest that the Queen's role in constitutional and political matters is purely mechanical, simply acquiescing in documents from Downing Street and the automatic confirmation of the "Royal Assent" to legislation passed by the two Houses of Parliament. Such judgments are rooted in ignorance. For centuries now the royal role is its duty rather, to "advise, to encourage and to warn" has been a key element in our unwritten constitution. When the Queen graciously visited Downing Street and dined with Cabinet Ministers on the eve of my resignation in 1976, I recorded that she had already "seen off" more United Kingdom Prime Ministers, to say nothing of the rest of her Commonwealth, than had Queen Victoria, at a corresponding point in her reign.

Again, she has probably visited more Commonwealth countries than all her predecessors taken together. It is extremely rare for any territory to achieve nationhood without her being there for the ceremony. How many prime ministers have visited

mentioned: "To think that world peace depends on this lot". Never have so many prime ministers been photographed together laughing so uproariously.

Nor are her preoccupations entirely concerned with the Britain of the 1980s. From earliest days, she has taken the greatest care in planning the Prince of Wales's education. He went not to one of the historic English schools, Eton, Harrow, or Rugby, but to Gordonstoun in Scotland, a modern foundation with a first-class scholastic record.

He then went, after the Queen had informally consulted party leaders, to her father's old college in Cambridge for a time following this by a period at the University of Wales in Aberystwyth, in his principality — a decision greatly welcomed by the Welsh people. Another period he spent in Australia, a country he has vigorously explored.

Following a number of discussions at my weekly prime ministerial audience with the Queen, it was decided to give him experience of public administration in the Cabinet Office, the Prime Minister's powerhouse in Whitehall, and in a number of Government departments. He also familiarized himself with the workings of local government in the councils of our towns and countries, and increasingly, with industry.

He had, of course, a long stint in the Armed Forces, becoming a captain of warship and also an experienced helicopter pilot.

Although the Queen's peoples at home and abroad hope that this preparation is for a far-distant future, it can safely be said that no future monarch has ever received training, experience and encouragement of comparable width and depth.

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On the eve of his resignation as Prime Minister in March 1976, Harold Wilson greets the Queen, arriving at No. 10 Downing Street for a farewell dinner.

Geoffrey Smith

Will the Liberals gently walk off with the swag?

A dozen leaders of the Social Democrats and the Liberals will be meeting this evening in Oxfordshire to discuss the alliance's long-term plans and prospects for the election, and significantly beyond. They are right to examine these critical issues now, but if the alliance is to have any long-term future it will first have to solve its immediate difficulties over the allocation of parliamentary seats.

It has reached the position where it seems the prospect of alluring fortune ahead if only it can decide how to divide the spoils. Yet this is proving a slow and arduous task because each party is surveying the scene from a different angle.

For the Social Democrats there is the nagging fear that while they will contribute most to whatever success the alliance wins, it will be the Liberals who will make off with most of the booty. It is the coming of the SDP that has transformed the face of British politics, yet because of the way that seats are being shared out there is a serious possibility of there being significantly more Liberals than Social Democrats in the next Parliament.

It was because of this fear that Mr William Rodgers, the chief SDP negotiator, decided at the beginning of the year that the time had come to blow the whistle. Unfortunately he seemed to swallow it instead. The impression was given of hard-nosed professional politicians of the SDP roughing up those nice Liberals, who once again were being too gentle by half. It is a picture that can be recognized only at a distance. The closer one gets the more one is struck by how effectively the gentle Liberals are managing to take care of themselves.

The Liberals have a number of interests to secure. The first is to ride the Social Democratic tide. Of course, they would never dream of putting it like that. But the emergence of the Social Democrats has brought a surge of new support for the centre of British politics: the Liberals naturally want to take advantage of it, but they have been afraid that they might be swept aside in the onrush of the SDP.

The alliance therefore suits the Liberal purpose ideally. It has in fact become a necessity for both parties. But while the Social Democrats might hope to break through on their own, the Liberals know in their hearts that this would be impossible for them.

Another Liberal interest is to see that it is a Liberal candidate who represents the alliance in those constituencies where the party has done particularly well in the past, or has an especially lively organization or zealous candidate. The right of local autonomy within the party

also has to be safeguarded, otherwise all hell will break out in the Liberal ranks. When it was finally decided on January 26 to resume negotiations on the allocation of seats, the task of the negotiators was to reconcile these Liberal interests with the SDP demand for an equal share of winnable seats, preferably secured by laying down sufficiently precise guidelines at national level. The way they did so provides a fascinating insight into the oblique nature of many political decisions.

They agreed first to aim for equal representation of the two parties in the next Parliament on the basis of what they regarded as a middling outcome for the alliance: 200 seats. So far so good. But how was such a broad principle to be applied?

The Liberals insisted that they had 40 to 50 seats, excluding those held by sitting MPs, which they must fight. The Social Democrats accepted this, with a slight variation. They acknowledged that the Liberals should have first call on

The SDP feel that it is easy enough to persuade Mr Steel to be fair, not so easy for him to persuade his team of national negotiators...

some 50 seats, including those held by their MPs. In recognition of this concession the SDP should, so they claimed, have two seats to each one for the Liberals in the next best 150 otherwise there would not be an equal share of the best 200.

But the Liberals maintained that if sitting MPs were to be included on one side, so should they be on the other. The 27 seats now held by Social Democratic MPs should be balanced against those where the Liberals were to have first call. There would not therefore be all that much leeway for the SDP to make up in order to gain a fair share of the best 200 seats.

But the critical question was whether the Social Democrats were to have a two to one advantage in the second group of seats, no matter whether that group was to number 150 or whatever. The Liberal response to that claim can best be expressed in the old Scottish phrase: "I hear you." They didn't say yes, and they didn't say no. Some Liberals believe that they did agree, but if so it was with

such delicacy and discretion that it escaped some of their own colleagues.

There was, however, at least an understanding. But it was an unwritten understanding. No terms of the treaty were set out in precise words: that would have been awkward for the Liberals with their local parties. Nor were any lists produced of the Liberals' top 50 seats, or the next 150 seats, or any permutations on these figures: that would have been even more awkward for the Liberals. But if the details are left so unspecified how can such an agreement be implemented in the various regional negotiations?

It would be relatively easy if in each region the SDP could be given the appropriate number of silver seats to compensate for the Liberals' golden ones in that same region.

The country is not divided so neatly, though, that it is always possible to strike the necessary balance within a region. There have to be trade-offs between regions as well. That is where the difficulty arises with the Liberal insistence on local autonomy. The SDP feel that it is easy enough to persuade Mr Mavid Steel to be fair, not so easy for him to persuade his team of national negotiators to persuade local Liberal negotiators.

There are bound to be problems in inducing local Liberal seats to adhere to undertakings which their national negotiators are not prepared to acknowledge publicly that they have given. So they come back to the broad principle that both parties openly accept: equal representation on the basis of 200 seats.

But the implementation of that principle is further complicated by the conflicting calculations as to what are the best seats for the alliance — with the Liberals complaining that the Social Democrats attach too much importance to past Liberal performance and therefore want to pinch all the best Liberal seats, and the SDP responding that the Liberals want to keep all the best alliance seats for themselves because there is a strong Liberal organization there.

The difficulties will probably be resolved in the end simply because it is so much in the interest of both parties to reach agreement. But it will be on terms that will give the Liberals a good chance of being rather the larger party in the next Parliament.

The Social Democrats will not be able to translate their greater strength in the count-down into a dominating position in the House of Commons. The two parties will have to live with each other as broadly equal parliamentary forces. This is the prospect that the leaders will have to bear in mind as they lay their plans for the future this weekend in Oxfordshire.

From Mr Gerald Long
Mr A. Roux,
Le Gavroche Restaurant,
London W1.

Dear Mr Roux,

I dined recently at your restaurant Le Gavroche for the first time. I would like to draw one small matter to your attention.

The large selection of cheeses was presented as specially chosen for Le Gavroche by a French cheese expert, and consisting of only French farmhouse cheeses.

This last expression surprised me since it would, in my experience, be difficult to make such an absolute claim for any cheese board of such variety, here or in France, if one were to translate the rather vague word "farmhouse" as "de fabrication fermière", which has a precise meaning.

I suggested that at least one cheese I could see described as a St Paulin, was produced industrially. This met at first with an indignant response from your waiter, who then retreated into "if Monsieur knows cheese better than I do, then of course Monsieur is right", a quite accurate which was typical of most of the service throughout the evening.

Checking in the Androuet Guide du Fromage, I find under St Paulin, a cheese which is, according to Fabre, produced all over France, the note: "Fabrication: de petite, moyenne ou grande industrie".

Mimolette, which your waiter said he had but was not on the board, has the note: "Fabrication: aujourd'hui totalement industrielle".

Pride in what you offer to your guests is natural and to be respected, to the extent of course that what you offer is good. The cheeses were perfectly respectable, if unremarkable, and, for my taste, too numerous. I doubt whether you would wish to take refuge behind the probably undefinable term "farmhouse"; if you do, of course, there is no more to be said except that such an attitude would not be consistent with the most rigorous standards.

If you do not seek refuge in ambiguity, I would suggest that you might wish to moderate the claims made on behalf of your cheeses.

In case others might share my view that such precision is a characteristic of the best restaurants, I will send a copy of this letter to Michelin.

Yours faithfully,

Gerald Long,
November 5, 1981.

From Mr A. H. Roux
Mr G. Long,
London EC1

Dear Mr Long,

Thank you for your most courteous letter of 5th November.

I always appreciate it very much indeed when customers take the trouble to write to me with their experiences. I usually reply to such letters immediately, but on this occasion, before replying to you, I wanted to consult Maitre Philippe Olivier, who supplies our cheese exclusively. Although I enjoy my cheese, I do not profess to be

Eating out in Britain has been given a welcome stimulus this year with the unprecedented award of the Michelin three-star accolade to a London restaurant, Le Gavroche. The Times will be reviewing a selection of celebrated restaurants in London and round the rest of Britain — through the discriminating palates of two distinguished European

food writers, M. Robert Courtine and Herr Gert von Paczensky — in a special series beginning next Saturday, when Herr Paczensky will be introduced by Gerald Long. While Le Gavroche was being vetted for its three-star award, Mr Long was, as it happens, engaged in general discussion with its proprietor, Mr Albert Roux. These are their exchanges:

an authority on it, and felt that I could not answer your letter adequately without prior consultation. The St Paulin cheese you refer to is more specifically known as Belval de St Paul. Fromage artisan, au lait cru de l'Abbaye unique, fabriqué par les religieux. Here you have a cheese which is entirely made by craftsmen on the scale of a cottage industry.

As for the definition of "Fromage Fermier". It is completely different to "Fromage Industriel", although the translated term could lead to confusion. A cheese may be manufactured on a small to medium scale, but nevertheless have the name "Fromage de Tradition", as long as the milk used in its manufacture is not pasteurized, and that the cheese is moulded by hand or with a ladle. An industrial cheese is invariably the label of pasteurized cheese.

All the cheeses which we

have represents about 5 per cent of all the French varieties.

I hope my letter clarifies your questions. It remains for me to thank you for your valued custom, and hope that you will not be deterred from visiting Le Gavroche again on account of our cheese. I am always working in the kitchen, so if you do visit the restaurant again, please do ask for me as I would be delighted to meet you.

I have also sent a copy of my reply to the Michelin Guide.

Yours sincerely,
A. H. Roux,
Managing Director.
November 16, 1981.

Dear Mr Roux,

Thank you for your letter of 16 November. I am grateful for the trouble you have taken, in which I recognize the care you devote to your restaurant — it may seem a trifle of me to esteem the effort in both, but to like the

interest since M Olivier is in Boulogne, where I know his shop. If it is indeed the cheese I saw it brings its artisanal origin through an appearance very close to that type of French nursery cheese known disparagingly as "Bouffé" or "Vache qui rit".

There would appear to be an internal contradiction in your letter in that you say that the cheese is the product of a cottage industry, and is unpasteurized, and then, later, that "industrial" is invariably the label of pasteurized cheese. To reconcile these statements requires the conclusion that a cottage industry is not an industry.

My opinion on the size of your cheeseboard is influenced by thirty years' periodic observation of cheese boards all over France. In cheese producing areas I always prefer to see the cheeses of the area; it is obviously a policy decision to have no English cheese in a London restaurant; London is in any event not a cheese producing area, so there is nothing more to be said about that.

My dislike of large cheese boards is based partly on a dislike of what frequently appears to be numbers for numbers' sake, and partly on the practical difficulty of maintaining a large number of different cheeses in good condition. Androuet says certain cheeses may be kept in the refrigerator; although he lays down rigorous conditions for that storage, I would, from my own experience, doubt that this is, in general, safe advice.

You say that your selection represents about five per cent of all French varieties. I have not counted them exactly, but Androuet lists some 200; twenty-two cheeses are a formidable trolleyful.

My visit to Le Gavroche was my first; I found the food interesting, but I did not like it. I am sure however that my opinions are entirely untypical of your clientele and are therefore of little practical worth. That being so, it is self-indulgence to set them down; I do so largely for the sake of my own record.

I began with a salad in which I remember I think made of two birds, one of which was grouse, which was delicious; the other has not remained in my memory. The amount of dressing was excessive, which spoilt what would otherwise have been a perfectly pleasant dish.

I then made the mistake of choosing turbot, perhaps my favourite fish, in a port-wine sauce. The sauce was heavy, and succeeded in combining sweetness and bitterness in a way that is more usual in French restaurants. It completely masked the taste of the fish, and, being opaque in a dim light, also masked the fish itself.

In my view fish served in a

heavy sauce, usually an error, should not contain bones; my turbot did. It was present in very small quantity, and appeared to be overcooked. I drew that conclusion from its rather hard consistency; it had no taste.

There are, to my mind, very few sauces that can improve good fresh turbot, poached or grilled. Your sauce was not among them. It also seemed to me to offend against the great principle enunciated by Escoffier: "fautes simples".

And then the cheese, which is where we came in. The tragedy of eating in London is, to my mind, that many restaurants wish to give good service, I am sure you do, but that very few people ask for it.

Yours is a thankless task. I wish you well in tackling it. Yours sincerely,
Gerald Long,
November 18, 1981.

From Michelin, Paris
Mr Gerald Long.

Dear Sir,

We appreciate the interest you have shown in our Tourism Department and thank you for having drawn our attention to a restaurant mentioned in our Guide Great Britain and Ireland, under London.

Your comments have been carefully noted in the relevant file, so that we may consider them, together with our other readers' letters, when updating our information.

Of course, we shall acquaint our inspectors with your opinion and they will bear this in mind when carrying out further visits. We go without saying that they will then make the necessary remarks to the management.

Hoping that you will be completely satisfied, henceforth, with your choice of hotels and restaurants, we remain,

Yours faithfully,
Michelin et cie,
November 23, 1981.

Dear Mr Long,

Thank you for your letter of 18th November.

The fact that you have taken so much trouble to write about food leaves me with endless pleasure. So much so, that I would very much like you and your wife to be my guests for lunch or dinner, as I find from your letter that we have a great deal in common — a great love of food.

Would you please telephone me to make a date. Yours sincerely,
A. H. Roux,
November 23, 1981.

Dear Mr Roux,

Thank you for your letter of 23 November, for your kind words, and for your generous invitation. I greatly appreciate it, but I hope you will understand if I do not accept it. In any event, I eat very rarely in restaurants, in this country even less than in France.

With best wishes,
Yours sincerely,
Gerald Long,
November 26, 1981.

Mr Roux said yesterday that he would still like to invite Mr and Mrs Long to dine.



calman



P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ, Telephone: 01-837 1234

THE FALL OF LAKER

There are lots of lessons to be learnt from the failure of Laker Airways — and some danger that the lessons learnt will be the wrong ones. There will be calls to strengthen the stranglehold which the state has on ownership and competition. That would be bad for customers, bad for economies and bad for the development of air transport.

Not all those calls come from the left, though the demands in Parliament yesterday are a depressing reminder of the mindless opposition to privatization. The airline industry itself is likely to take satisfaction in Sir Freddie's fall. The cause of cheap fares and open skies has been put back. But the challenge which Laker posed to the cartel in air travel and the example he gave of how competition can improve services must not be lost.

At the heart of the Laker revolution in travel across the North Atlantic was a basic proposition of business. If you can give people something which they want at lower cost, more will choose to buy. It is the secret of the great expansion of the western free market economies over the past 200 years. Yet it is too often forgotten.

Nowhere has the neglect of this elementary rule been more apparent than in the airline industry. Governments and airlines have cooperated to keep out competition. As a result, fares have been kept high and the number of people who could afford to fly has been kept down. To complete the circle, the airlines have claimed that air passengers are more interested in the frequency of service than the price they pay.

It is this circle which Sir Freddie Laker so triumphantly broke with his Skytrain service. Before that was launched he was little more than an enterprising operator of charter flights. Skytrain revolutionized long-distance air travel by cutting through much of the expensive inconvenience of traditional airlines. Its most important feature was certainly the low price; but its attractiveness for many passengers was

enhanced by the feeling that they could walk on to the aircraft without the complexities of making reservations and booking in advance.

Some of the changes pioneered by Skytrain will survive. The standby concept has been adopted by the conventional airlines who Sir Freddie set out to beat, at least on those routes where passengers had the choice of using Laker. The move towards greater competition within the United States was helped by the success of Laker and is unlikely ever to be wholly reversed. But much of the structure of air travel has been left untouched and is likely to try to reassert itself even on the North Atlantic route where competition is fiercest. The established airlines have beaten off the interloper and will be inclined to see his failure as an endorsement of all their past practices. They would be wrong.

They would be wrong to deny that price competition attracts new customers. Over the past year Laker's competitors have been using their considerable financial resources to cut their own prices to a level well below their costs. British Airways, along with most lines, has been making heavy losses on the North Atlantic route. BA had the taxpayers to cover them, Sir Freddie did not. But it took adoption of low fares by the other airlines to weaken his hold. They would be unwise to turn back that clock.

Just as the airlines would be wrong to conclude that cheap fares do not matter, governments would be wrong to conclude that new entrants without massive backing are so unreliable that they ought to be kept out altogether. There is much false concern from critics of Sir Freddie for the small number of people who find that they will not be able to travel to the United States because their flight in the next few days has been cancelled. They would do better to show interest in the millions of people who crossed the Atlantic in recent years and could not have done

so without the Laker revolution. The task for government is to make sure that in the future it will be easier for someone to try again to do what Sir Freddie did, not to put new barriers in the way.

There are two particular points which the Government has to consider. One is the role of regulation in the airline industry in Europe. There is too much of it. Established airlines will try to keep the pattern of high fares, poor service and excessive costs by pointing to the Laker failure. Britain has been a force in favour of more competition in Europe, so far with little success. It must go on pressing the case, both in its dealings with other governments and with the European Commission. There is no reason why it should not be cheaper to fly to Athens than to New York other than rules of protection. Their artificiality is shown by the spread of the "bucket-shop" operations in Europe, in which airlines regularly sell seats at prices far below the agreed price while constantly denouncing others for the same activity. Any system which makes people ashamed of cutting prices is a bad system.

The second major policy question for the Government is on the privatization of British Airways. This should go ahead as soon as possible. State ownership breeds state regulation. If the taxpayer has to pick up the bill, government will always keep fares high to cut the aid it has to give. If Sir Freddie had not been faced by bottomless state purses he might still be flying today.

The final question which is bound to be raised in the light of his failure is about the very existence of competition as a good thing in itself. Nothing that has happened casts doubt on this. Sir Freddie was the risktaker par excellence. The basic fact about taking risks is that things can go wrong and sometimes will; otherwise there would be no risk. But it is in the interest of all that those risks should be taken; for without them, the horizons of a whole generation who have seen the world shrink would not have been broadened.

MR TEBBIT GIVES OFFENCE

It is the manner as much as the substance that has given offence in Mr Norman Tebbit's replacement of Sir Richard O'Brien as head of the Manpower Services Commission with the younger and more doctrinally acceptable figure of Mr David Young. No one should doubt the Government's right to make the change. Contrary to the all-too prevalent impression that public office is the apolitical prerogative of the great and the good, governments of any hue can and should put into sensitive offices those whom they trust to carry out their policies. The Manpower Services Commission is not only a powerful quango, handling £845m a year of public money, it also stands at the centre of government policy towards the unemployed and towards training for school leavers. It is quite wrong to imply, as the initial response of both the unions and the parliamentary Opposition seemed to imply, that the Employment Secretary is being malicious or improper in exercising his prerogative

to decide not to renew the contract of one chairman and to replace him with a man of more sympathetic political leanings.

Nor is it right to suggest, as the unions and Opposition have suggested, that Mr Young is a man whose sole or even main qualification for the job is a close relationship with Ministers of a right wing hue. Ideologue he may be, but he is also a man who has a record of success as an administrator and businessman and some experience of training through his chairmanship of the World Organisation for Rehabilitation through Training.

What is open to criticism is the manner in which the appointment was made. The job of chairman of the Manpower Services Commission, like that of the chairman of the Advisory Conciliation and Arbitration Service, has hitherto been regarded as one which needed to be acceptable to both employers and employees. There is nothing sacrosanct about that, but this is an area where there is

a real need to gain the support of both sides of industry in developing new initiatives in training, in overhauling the apprenticeship system and finding workplaces for school leavers. And it is an area where the unions have attempted to take a genuinely constructive approach to change.

It is not just a question of appearances. It is a question of the attitudes betrayed by manners. There is in Mr Tebbit's approach, as that of the Prime Minister, a touch of deliberate antagonism towards anything which smacks of consensus. In some areas of economic policy that may be right and honest. But in other areas, and particularly that of training, there is little to be gained and much to be lost by abandoning a consensus approach. Sir Richard O'Brien has worked hard and effectively to develop that cooperation and confidence. There is no reason to believe that Mr Young will not be able to do the same. But Mr Tebbit has made it much more difficult for him.

LICENCE LICENSED

Twenty members of Parliament spoke or intervened in the debate the other night about the new clause and schedule the Minister has added to the Local Government (Miscellaneous Provisions) Bill, a clause empowering local authorities to exercise control over sex shops and sex cinemas. It is notable that no one took up the cudgels on behalf of these wayside flowers of consumerism. No one rolled out the argument that here is a form of enterprise which has sprung up to meet a demand that is not unlawful — not to everyone's taste perhaps, offensive even to some, but squarely inside that enclosure where the law trespasses at peril of looking foolish.

Even those MPs who once upon a time would have carried the colours of libertarianism had other fish to fry or other credentials to establish. Listen to Mr Reg Race (expletives deleted): "Sex shops portray women as simply available for sex, as mindless bodies with no views of their own and no position in life other than as sex objects to be used for the

pleasure of men. I reject that completely". The purveyors of sex put to shame by the enemies of sexism, subject for a painting by Boucher. Of course we have not heard from the House of Lords yet. They, who have no constituents, have been the legislative vanguard for the earlier Mr Jenkins's permissive society. But on the evidence of the debate so far a change has overtaken the legislative climate. An alliance between old-fashioned moralists and new-fangled feminists is poised to roll back the frontiers of licentiousness.

All who spoke complimented the Minister for bringing in an apparatus of control, and almost all urged him to make it more restrictive. Particularly they wanted local authorities to be able to say no to sex shops altogether, which the clause as it stands apparently does not allow. Some also blenched at the parliamentary draftsmen's imaginative attempt to encompass the whole range of weird and gruesome implements made available by the sex stockist for the extraction of pleasure. "In this Schedule, 'sex article' means

(a) anything made for use in connexion with, or for the purpose of stimulating or encouraging (i) sexual activity; or (ii) acts of force, restraint, violence or cruelty which are associated with sexual activity. The words in italics proved too much for some Members, who saw Parliament being invited to license, and by licensing to approve, the sale of sadomasochistic appliances. What next?

In vain did Mr Timothy Raison, piloting the new clause, plead that the Bill before them was one to augment the powers of local authorities, not to reform the law of obscenity; that the courts could not be depended upon to find such articles obscene and their offer for sale an offence; and that therefore if Parliament scrupled to include the objectionable words it would be conferring powers of control over retail outlets of the sex industry while exempting from control all the most obnoxious specimens. The draftsmen, like Mr Race, are to be asked to kindly express themselves less blatantly.

Laker enterprise's unequal load

From Mr Martin Drew

Sir, With the calling in of a managing receiver at Laker Airways we witness yet again the stark contrast between state and private industry. An inefficient state airline, losing millions through overmanning, lumbering on, and an efficient but over-ambitious private airline goes under.

Some of us thought we had elected a Conservative Government to put an end to this unacceptable face of socialism.

Yours faithfully,
MARTIN DREW,
24 Hugh Street, SW1,
February 5.

Dry observation

From Mr Gordon Pepper

Sir, Will all the wets, both in the House of Commons and outside, which includes the press, please read, mark, learn and inwardly digest what is happening in both Eire and Australia? Short-term palliatives, such as a huge Budget deficit in Eire and a wages commission in Australia, have a very nasty habit of having distinctly perverse effects in the longer term.

Yours faithfully,
GORDON PEPPER,
Studdenden,
Sissinghurst,
Cranbrook,
Kent
February 1.

A diary in question

From Mrs Amanda Cornford

Sir, I tend to agree with Jacqueline Simpson (January 25) that the authenticity of the Diary of a Farmer's Wife by Anne Hughes is important, but not that it is just a "pretty fiction". Jeanne Preston, who compiled the diary, used authentic sources, as the television producer Michael Croucher, who followed on with the research that I initiated, found out. Mrs Preston drew on her own memories of life on a Herefordshire farm in the 1880s and 1890s, her mother's and grandmother's recipe collection and the stories told to her as a child by one Mary Anne Thomas, Anne Hughes's daughter, then in her eighties, who also read to her out of Anne Hughes's diary. This diary, "a thin book with spidery writing", certainly existed and was in Mrs Preston's possession in the early 1940s, but has since vanished.

Anne Hughes's diary as published, however, is an amalgam put together in the 1930s by Mrs Preston reaching back to her childhood memories of 50 years ago (she was born in 1884) and making use of Anne Hughes's diary and the notes she made as a girl of Mary Anne Thomas's stories, with family recipes included. So as folk history it is certainly worth taking seriously.

Perhaps one day the real diary may be found, and the redstone necklace mentioned in it, which Jeanne Preston sold at a Red Cross sale to raise money for the war effort in the 1940s (it fetched £170). Meanwhile, may readers continue to enjoy this delightful book in the knowledge that it contains much truth mixed with a little fancy.

Yours faithfully,
AMANDA CORNFORD,
The Bell House,
Wicken Bonhunt,
Seffron Walden,
Essex.
February 2.

Lloyd's Bill

From Sir Peter Vannock, MEP for

Cleveland (Conservative)
Sir, From days as Lord Mayor I take a continuing interest in the invisible earnings of the City of London, based on its international, expertise, integrity, and the efficacy of its self-regulation. The current controversy over the Corporation of Lloyd's Bill before the House of Commons, particularly now that I am a member, is a matter of concern. I well recall, when I was on the Stock Exchange Council, how one felt one had to look over one's shoulder in disciplining a firm or members in case the parties concerned threatened that this would prejudice some other legal action in which they were involved.

While one was assured that the courts would hold that we acted with privilege, or at least qualified privilege, I venture to think that the House of Commons, putting forward a Bill these days, would grasp with relief the opportunity to ensure statutorily that its council was granted freedom from suit in the conduct of its affairs with its members.

Yours truly,
PETER VANNECK,
City Gate House,
Finsbury Square, EC2,
February 4.

From the Secretary to the Chair-

man of Ways and Means
Sir, The report on page 4 of today's Times (February 4) of the debate on the Lloyd's Bill concludes with two references to the Deputy Speaker, Mr Bernard Weatherill. In fact, the Deputy Speaker in the Chair at the time was Mr Bryant Godman Irvine, the First Deputy Chairman of Ways and Means.

In view of Mr Weatherill's statement to the House on December 9, 1980 (column 1161 of Hansard) that as a member of Lloyd's he would not take part in any of the parliamentary proceedings relating to the Lloyd's Bill, I would be grateful if this correction could be made.

Yours faithfully,
ALAN SANDALL,
Ways and Means Office,
House of Commons,
February 4.

LETTERS TO THE EDITOR

Sources of support for universities

From Professor C. A. Pasternak

Sir, Over the past four months you have published many letters, each of which has in some way criticized the Government for cutting its grant to universities. What is surprising is how many academics admit in private that once the difficult and painful task of reducing the present level of activity has been achieved their universities will emerge as more effective and productive units. No one can deny that there is dead wood and wastage in our centres of higher learning, just as there is in our factories and railways.

Should we actually thank the Government for their draconian measures? To a certain degree, perhaps, and for another reason also. The present cut-back will force those of an ambitious, creative and industrious bent to turn to alternative sources of funding, namely the private sector. The benefits of this lie in the removal of some of the control that Government, through the University Grants Committee, exercises over universities.

I imagine I am not alone in believing that the aim of a university education should be to train a student to think logically. It does not matter too much whether this is achieved through a study of physics, biology, mathematics, philosophy, ancient history or Sanskrit. Vocational training in bridge-building, education, pharmacy or theology is best done instead of, or subsequent to, an undergraduate university course.

Given that undergraduate education is more of a luxury than a necessity, in the sense that music, literature or painting is, it is inappropriate for Government or the UGC to coerce universities into concentrating on one or another discipline. Market forces nowadays make students choose those subjects for which they see an appropriate career at the end. Of course, the argument between public and private patronage of higher education and research, as of the arts, can be continued at length (and will be), but in these very days, I think, there must be many who share the view that public control of the activities just mentioned has, in several countries during this century, not been an outstanding success.

Where then, in these depressed times, are private funds for education and research to be found? Let me give three examples.

The first is a very modest one, cited merely because of personal involvement. Three years ago at St George's, the Cell Surface Research Fund was set up. The aim was to supplement income received from the national grant-giving agencies for medical research by appealing to industry and the private trusts: one of our reasons was dissatisfaction with the way in which long-term research was being funded (letters to *The Times*, September 13 and 15, 1978). Despite the continually worsening financial situation, the CSRF has managed

to fully support one senior, key member of our research team.

The second example concerns self-financing students. Percipient institutions like the London School of Economics, following the earlier example set by the independent University College of Buckingham, have turned to the recruitment of such students in the knowledge that charging a fee for a degree course is neither a crime nor does it necessarily lead to lower standards. Few would argue that the calibre of student at Princeton, Harvard or Yale is any less than that at Berkeley or UCLA.

The third example relates to the rise of biotechnology. There is I suspect, currently as much financial support for basic research in this area coming from private sources as from governmental ones.

It is right and indeed imperative that Government, through the UGC and the research councils, should continue to provide the bulk of the resources for higher education and research in this country. The Vice-Chancellor of London University, in his article in today's *Times* (February 2), has indicated the breadth of university activities. The point of this letter is to suggest that a positive move towards identifying alternative sources of support may, in the long run, prove beneficial to several aspects of academic life.

Yours sincerely,
C. A. PASTERNAK,
St George's Hospital Medical School,
University of London,
Cranmer Terrace, SW17,
February 2.

From Professor G. L. Huxley

Sir, Professor Quirk (feature, February 2) is right to praise the generosity of alumni in the United States towards the colleges they attended. However, it is necessary to remember that the wise laws of that land permit such gifts to be for the most part tax-deductible. Gifts by individuals to British universities have to be made out of taxed income.

Since H M Treasury is now failing to provide enough money to ensure that the country has the university system it deserves, and since the University Grants Committee long ago ceased to be a buffer between scholars and the politicians, there is an urgent need for a change in the tax laws here, if universities are to flourish in independence.

The Chancellor may be said to have a duty in this matter, since at present the hardest blows are being directed at some of the universities with the lowest capitalization. If gifts to universities were made tax-deductible, not only would the socially damaging consequences of the UGC's impositions be softened but also I am sure, even Professor Quirk would be astonished by the response in these pitiless times.

Yours faithfully,
GEORGE HUXLEY,
Department of Greek,
The Queen's University of Belfast.

From Lord Young of Dartington

Sir, Lady Jeger asks (February 2) what Tawney would have thought of the Tawney Society. I don't think he would have joined; he was a very modest man.

Michael Foot says (February 4) that we have debased his name. On the contrary, believe me, we would have approved (if not wholly) of the SDP and hence of the Tawney Society, which is a research body formed in the interests of the new party.

In his essay on "Social Democracy in Britain" which appeared in 1949 in the *Christian Demand for Social Justice*, Tawney said that social democrats stood for "a society which values public welfare above private display; which, though relatively poor, makes the most of its resources; which for all of the conditions of a vigorous and self-respecting existence; which gives a high place amongst those conditions to the activities of the spirit and the services which promote them; which holds that the most important aspect of human beings is not the external differences of income and circumstances that divide them, but the common core of humanity that unites them and which strives, therefore, to reduce such differences to the position of insignificance that rightly belongs to them".

It is because I adhere to democratic socialism, and because Labour governments have so signally failed to move towards it, that I joined the SDP and now the society whose name I suggested, not to debate but to honour him.

Yours faithfully,
YOUNG OF DARTINGTON,
Tawney Society,
18 Victoria Park Square, E2.

'In vitro' risks

From Ms S. Porter-Williams

Sir, In the *Times* of January 28, you report that Dr Michael Thomas, chairman of the British Medical Association's central ethical committee, has called for a moratorium on test-tube baby work until its ethics have been more widely discussed. His reasons are that he thinks that *in vitro* fertilization may increase the risk of congenital abnormalities and that simply being infertile does not justify the risk, since "no one dies of infertility".

I disagree with Dr Thomas. Whether there is an unusual risk of congenital abnormalities can only be known when there is enough experience of the technique to apply statistical tests to the results. Even then I feel that the choice of whether to take the risk should rest with the prospective parents, just as it does when there is a risk of a congenital abnormality through a normal

Fears for West End theatres

From Mr Paul Eddington

Sir, A property battle appears to threaten a large number of West End theatres following the retirement of Lord Grade, and whatever the short-term outcome in this particular case the threat must increase in direct ratio to every rise in the value of prime sites.

The view of most of us working in the entertainment industry is that its health largely depends on that of a live, flourishing, non-subsidized "commercial" theatre, and my own view is that the basis of such a theatre can only be made secure by the removal of the buildings themselves from the market place.

Presumably such a step would require legislation, but I feel means must be found if we are not to see the enterprise of some of the world's most courageous impresarios ossify into yet another row of office blocks.

Yours faithfully,
PAUL EDDINGTON,
as from: 22 Grafton Street, SW1,
February 3.

Civil Service pay

From Dr Roderick Beaton

Sir, Your techy leader this morning (February 3) on the subject of Civil Service and public sector pay unthinkingly repeats a dangerous nonsense which the present Government seems to have inherited, perhaps also unthinkingly, from Labour. This is that all the "workers" in an "industry" must be equally rewarded or punished in terms of pay, regardless of the skills they possess and the services they are actually paid to perform.

Thus your leader-writer seems to despise equally as "civil servants" the often under-qualified and inexperienced individuals that government departments, like the other large concerns, seem to employ to fend off the inquiring public, and the highly-qualified men and women who run these government departments and bear the responsibility for translating government policy (of whatever government) into practical action.

Presumably the Treasury, in drawing up the document which has so incensed *The Times*, has recognized that if officials of the calibre and integrity required to carry out its unloved tasks are to be recruited and maintained, they will have to be paid at an appropriate level. It is time that *The Times*, and indeed this Government, realized that the financial gains of industry and commerce are in themselves of no value whatever to the community as a whole, without the collection and distribution of taxes and the maintenance of the many services which in turn enable industries to operate profitably. We have not yet heard of the "privatization" of tax collection, or of the preparation of the Budget being farmed out to (grouped) private consultants.

Or does *The Times* really believe that Sir Geoffrey does it all himself?

Yours etc,
RODERICK BEATON,
University of Oxford,
King's College,
Strand, WC2.

Women in orders

From the Chaplain of St John's College, Oxford

Sir, Caroline Moorehead (*The Times*, January 25) draws attention to the position in England of the Rev Elizabeth Canham and other validly ordained priests of the Anglican communion who happen to be women.

But the Eucharist is not the sacrament where the General Synod's ban on Elizabeth Canham's exercise of her ministry in England arises most acutely. Like many priests, I always make a practice of stopping at serious road accidents. What if in such or similar circumstances Elizabeth Canham was asked for absolution by someone critically ill? Is she to deny the penitent the gift of grace simply because she is on the wrong side of the Atlantic?

Yours faithfully,
A. C. J. PHILLIPS,
St John's College,
Oxford.
February 1.

Lessons for Lutyns

From Dr Priscilla Metcalf

Sir, It should not be a lesson from Lutyns that "the oddity of the Chequer-board housing in Westminster is rather attractive" (letter, February 2). Some of us who live in better-designed housing just around the corner from that close set of barracks with their superimposed inhuman facade, do not admire it and even think it shows a contempt for the masses, whom Lutyns knew nothing about. Only historians who live in their own houses admire it.

Charles McKean was right. Imagine looking at chequer-board every time you look out of the window or walk down the street! Yours indignantly,
PRISCILLA METCALF,
37 Gainsborough House,
Erasmus Street, SW1.

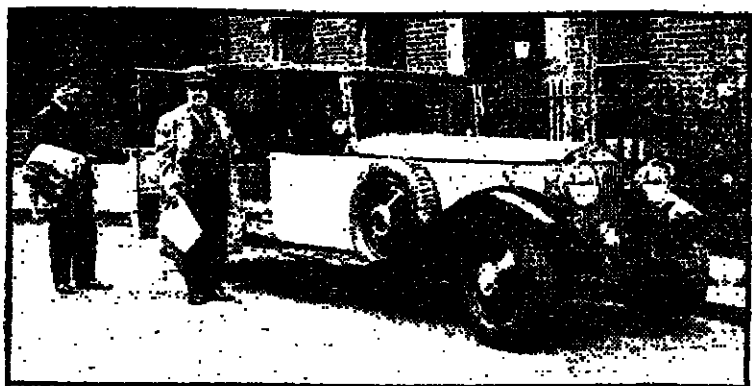
Proper names

Professor M. A. Screech

Sir, I have just received a letter from a cultural attaché addressed to a colleague named "Dr Honoris Causa" who is, allegedly, an "honorary research fellow" in this department. Does anyone know who she is?

Yours truly,
M. A. SCREECH,
Department of French
Language and Literature,
University College of London,
Gower Street, WC1.

Saturday Review



The exploits of Edgar Wallace

Edgar Wallace won fame as a thriller-writer with a superbly simple formula:

"crime and blood and three murders to the chapter." He also wrote African adventures and tales of the Turf — more than 150 novels in all — as well as plays and films. In a *Punch* cartoon, in his heyday, a traveller at a station bookstall asked "Have you got the midday Wallace?" He died 50 years ago. Michael Innes, master of the classic detective story, recalls and reassesses him.



A bottle of whisky had been placed on a small table beside the speaker by hosts unaware that what he might have preferred was constant fill-ups of strong sweet tea. He did justice to the whisky nevertheless, and the bottle as empty by the time he had finished talking. This may be a trick of memory: it was more than fifty years ago, after all. What I am certain of is an impression of extreme exhaustion held at bay by an iron will. The heavy eye-lids drooped more and more alarmingly over the long cigarette holder, and he was as pallid as any of the innumerable corpses that clutter up his plays and novels.

At the same time he seemed a man much at his ease, dissimulating without difficulty the insignificance of addressing twenty or thirty undergraduates calling themselves for the occasion the Oxford Edgar Wallace Society. We had perhaps expected something "loud" about him. Nothing of the kind was on view.

What did he talk about, or rather narrate? It was Sanders-Bosambo stuff, with Wallace himself improbably, indeed preposterously, close to the centre of every action. We were sophisticated after a juvenile fashion: knew we were listening to a pack of lies: were amused. But then our perception of the affair changed. These were new lies. Wallace wasn't putting on a stock performance — he was creating as he spoke — fluently with scarcely a pause — just as if he were at his dictaphone at home, running up a new novel or play over the weekend.

We finished by listening awed in the presence of this inventive power. Joseph Conrad, could he be conceived of as speaking to us about *Heart of Darkness*, Joyce Cary describing to a succeeding generation of students the background of *Aissa Saved*, could scarcely have produced a more persuasive assertion of familiarity with the mysteries of Congo or Niger.

Edgar Wallace was the illegitimate child of a struggling small-time actress who concealed his birth and arranged for his bringing up by foster-parents in the large family of a Billingsgate fish-porter. He was to regard himself as having been completely rejected by his mother, and is said to have turned her away from his door with a wholly uncharacteristic harshness when she presented herself in a distressed condition in her later years.

In his boyhood she did however visit him from time to time, and her occasional gifts of theatre tickets, together with her general

theatrical ambience, probably constituted as profound a formative influence as he was to undergo. Most of what he did had as its sole aim the acquiring of money to spend. But the theatre was an exception. At the level of melodrama at which he understood it, the stage was with him an absorbing passion pursued for its own sake.

His early years were unremarkable. Not caring for employment as a newsboy or bottle-washer, he ran away to sea, and quickly ran back again. He enlisted and was sent to South Africa, astutely managed to transfer himself to the easy service of the Medical Staff Corps, and began to write. He achieved some local fame as the Kipling Tommy who could turn out the more facile sort of Kipling verse, and Kipling himself said friendly things about him.

Soon he had bought his discharge from the army with a borrowed eighteen pounds, been appointed a Reuter's correspondent of a subordinate sort, and thus launched on a journalist's career — the diverse and often hectic activities of which he was to pursue side by side with intensive authorship to the end of his days.

All this was much to the credit of an entirely self-educated young man — or rather a young man uninterested in any sort of self-education not of evident immediate utility in a more than moderately ambitious conception of getting on. There was nothing meteoric about his career. Endowed with immense self-confidence and resilience, easily excited to a valuable pitch of nervous tension yet with a power of swiftly recovered equanimity and poise, he is nevertheless to be seen constantly making miscalculations, losing jobs, involved in bizarre fiascos, essentially through not knowing quite enough.

Thus he could be enthusiastic over the Turf and spin yarns about it with all the convincing know-how of a Nat Gould or a Dick Francis, but when he bought horses (giving them proud names out of the Sanders stories) they almost invariably proved not to be the sort of animals that win races. When he wrote a new play he was without any disciplined critical faculty to bring to bear on it, and could be totally at sea as to whether it was good or bad. Even the common mechanisms of the market place were often obscure to him — a fact well illustrated by the odd history of *The Four Just Men*.

The book was planned as his first big coup with a crime thriller, and he based himself on the premise that anything that is sufficiently widely advertised is

bound to sell widely. He had also thought up what would later have been called a gimmick. The manner in which the Just Men had killed the wicked Foreign Secretary was to be withheld, and £500 was to be distributed in prizes to readers sending in approved solutions.

On this project he worked with frenzied enthusiasm. £1,000 (scarcely a penny towards which he possessed) was his first estimate of the cost of promoting the book. But as his zeal mounted, and London became plastered with huge posters announcing what was in store for it, the bill mounted too. "I shall be glad," he wrote to his wife in South Africa, "to have the book finished and off my conscience, for I am most anxious to get on with the advertising part of it. This latter is really the most important part."

Thus plugged, the book did, not unreasonably, go well. But as its retail price was only 3s 6d it was obvious that sales would have to be phenomenal indeed if the enterprise were not to end in disaster. Here was what Wallace had failed to consider — and he had failed too, to reflect on the likelihood that passably "correct" solutions to his mystery would come in by the hundred, as indeed they did. As he had no money at all except what the book was earning from day to day, there were delays and silences which prompted widespread suspicions of fraud.

Wallace was working on the



Leslie Banks (left) and Paul Robeson in Sanders of the River.



Daily Mail at the time, and the novel had been lavishly advertised in the paper. Its proprietor, Alfred Harmsworth, took the view that his reputation required him to put up the money to rescue his employee. But for some time he thought poorly of Wallace, and to be thought poorly of by Harmsworth was not the happiest of positions in Fleet Street in 1905.

Nevertheless *The Four Just Men* marked a turning-point in Wallace's career, since it gave him his master formula. He had been trying his hand at romantic fiction, entirely without success. But now, in sending his wife for some reason a book called *A World Without a Child*, he wrote: "It is of course full of religious tosh, that seems to take with the blithering multitude, in fact religion and immorality are the only things that sell books nowadays. I am going to start a middle course and give them

crime and blood and three murders to the chapter: such is the insanity of the age that I do not doubt for one moment the success of my venture."

In the long run the event justified his confidence. "Crime and blood and three murders to the chapter" was as unerring a recipe as Raymond Chandler's "Have a man come in the door with a gun." One simply need never be stuck.

He had begun as a journalist sharply observant on the fringe of things. In Africa he had been not only a private soldier and a war correspondent but also, at a later date, an investigator on behalf of Harmsworth of rumoured atrocities in the Belgian Congo. Of native life in its more picturesque aspects, and the problems it presented to white administrators he had picked up much, but largely at second-hand and what may be called a yarny level; like Kipling he knew that "sometimes in a smoking-room, one learns why things were done." The long series of Sanders and related stories — the next important landmark after *The Four Just Men* — is based on this, on some rapid reading in aid of the project, and (one is inclined to suppose) on the widely popular African-romances of Rider Haggard.

The numerous kingdoms over which Mr Commissioner Sanders holds sway are peopled by savages and cannibals all of whom are wily, nearly all cruel and courageous, a few mild and cowardly. They are credited, at convenience, with telepathic and mesmeric powers, so that Sanders, chugging round among them in his little river steamer and commonly only with a small detail of native troops, is hard put to it to come out regularly on top. He is very much a man of swift action, liberal with hangings and "scientifically" inflicted floggings, and the basis of his power is that succinctly expressed by Hilaire Belloc:

We have got The Gatling gun and they have not.

Far left: the former Billingsgate street urchin with the traditional symbol of success, in Salisbury Square, Fleet Street, 1931, and on the set of *Red Aces* at Beaconsfield.

Left: Bela Lugosi in *Dark Eyes* of London, 1939.

He can afford to be foolhardy. He will walk nonchalantly into a trap; be trussed and later put to the torture of having to dance barefoot on hot stones. Just in time, the super-wily but faithful Bosambo and his tribe will turn up, a gun will be unmasked and begin rapid fire, the torturers will scatter and all be well.

Here and there in the stories a sentimental touch is admitted — as when a boy-king, whom Sanders has introduced to his duties with the help of a cane lavishly laid on, saves the life of his instructor at the cost of his own. But in general the aim is to be tough all through — and in simple, rapid and vigorous prose. There is much ramshackle improvisation but also a good deal of clever plotting in the interest of some sharp surprise.

Throughout his work, alike in plays, novels and short stories, the plotting is nothing if not boldly imaginative. Thus in a story called "The Circumstantial Evidence" a chemistry student who just happens to have a bottle of cyanide of potassium in her pocket finds herself studying the wine-glass of a rich uncle whose heir she has that day become, and who just happens to commit suicide by swallowing cyanide of potassium a few minutes later. We must not quarrel with such fabrications if we are to enjoy Wallace in a large way.

But his command of surprise is of a different order. One of the Sanders stories, "The Lonely One" turns itself brilliantly inside-out in its final eight words. In what is perhaps the best of the crime novels, *The Crimson Circle*, we follow, among other threads, the investigations of a certain Derrick Yale, a "psychometric detective" who can tell by handling a cartridge case that the man who fired it was suffering from toothache. The conclusion of this story, entirely convincing within the framework of its illusion, brings this absurdity to heel in a denouement scarcely rivalled by a supreme masterpiece in the kind, Agatha Christie's *The Murder of Roger Ackroyd*.

Had Wallace been more content in his productions, this ability would have made a more lasting mark than it did. In his financial dealings he was unendingly rash and generous. Because he had a big Rolls-Royce his wife must have at least a smaller one. Because he owned racehorses he must have a box at Ascot as well.

The final phase of his life came with a visit to California. He had made a trip to America in very grand style three years before, engaging the royal suite in the liner *Berengaria* for his family and entourage, working during

the passage at a desk which had been installed for a prime minister, granting in New York innumerable interviews judged of high publicity value, and soaking up all Chicago and its gangsterdom the empire of Al Capone included, during a delirious visit of twenty-four hours. Back in England, and inspired by this revelation of a higher criminality, he had sat down and produced in four days a play called *On the Spot*.

Like Capone, its central figure, Tony Perrelli (played, through Wallace's astute choice, by Charles Laughton), operates in Chicago on a splendid scale. He has juries in his pocket and owns five brothels with forty girls in each; the women with whom he himself associates say things like, "You can't respect a guy who ain't got the money to treat you right." Eventually he is successfully framed by a Chief of Police for a murder which is in fact a suicide, and makes "strange, beastly, terrified noises" as his fate closes in on him. *On the Spot*, unlike Wallace's horses, was a winner right from the starting-gate.

But now things were different. There had been family troubles and at least brief estrangements, too many failures in rapid alternation with the successes, and even to his optimistic view an increasingly clear picture of the hazards of squandering large sums of money shortly — or not so shortly — before earning them. And he was going not to New York or Chicago but to Hollywood, to work under totally new conditions when already in his later fifties. He had hesitated, deferred the trip, betaken himself to Italy instead. "I am going to Rome on Thursday," he said in an interview, "to have a complete rest. I shall also visit Naples — just in case." And characteristically, lest the point of this subtle witicism should be missed, he had added, "Last week I had a touch of bronchitis, and I said to myself, 'I must see Naples before I die'."

Naples failed to come off, but in Hollywood he did eventually arrive. It was a brief up-and-down experience, with more downs than ups. They set him to contrive a "horror picture" and he got some way with what was finally called *King Kong*. But he was restless and ill at ease — and homesick, despite the unexpected companionship of two English jockeys, Michael Beary and the famous Steve Donoghue.

There was a plan for his wife to join him in Hollywood, and he wrote to her constantly, exhibiting an obsessive concern over her movements in England and Switzerland. At the same time he had become romantically attached to a young American actress; she failed to keep a dinner appointment with him; a crisis developed. Drinking more and more of his heavily sweetened tea, and forced to face the fact that his health was deteriorating, he had to tell his wife to bring out with her a favourite patent medicine, and set his servant scouring the drug stores for others.

It was an inclement February, and his days were spent indoors in an overheated atmosphere. But after midnight on the occasion of the broken appointment he was found in his silk dressing-gown, pacing up and down the sidewalk in front of his house, still anxiously awaiting his guest's arrival. By the following morning he was very ill, and discovered to be an undiagnosed case of diabetes mellitus. Death followed swiftly.

His body was brought back to England on the *Berengaria* — not in the royal suite but with a certain regality all the same. The liner, we are told, crept into Southampton Water with her flag at half-mast; the flags of Southampton slipped gently down to salute him; bells tolled in Fleet Street.

There was nothing unflattering about this. The Billingsgate street urchin had made himself the most widely read romancer of his time — and not through mere facility, although that was abundantly there, but rather by unremitting labour of an almost superhuman order. Yet there was surely something of a shade ironic about this mass-entertainer's end. See Hollywood and die.

He left very large debts but they were coped with speedily from the royalties that still came in. The books and plays continued to live on for a time. Some are alive still. There were films, including, of course, the immensely popular *King Kong*.

It was in a film, and posthumously, that his art received perhaps its strangest tribute. When Korda produced *Sanders of the River* in 1935 the role of Bosambo was undertaken by Paul Robeson — who had been playing Othello at the Savoy Theatre in the year Laughton was playing Perrelli at Wyndham's.

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Travel/edited by Shona Crawford Poole

Destination	Nights	Company	Price	Save	Departures
SKING					
Zell am Ziller					
Austria	7 h/b	Skiscene	£150	£23	Mar 3
Avoriaz, France	7 s/c	Skiscene	£109	£19	Mar 6, Luton
Crans Montana					
Switzerland	7 h/b	Skiscene	£159	£23	Mar 6, Luton
Madocino, Italy	7 h/b	Skiscene	£149	£15	Mar 13
Val d'Isere		Club-Mark			
France	7/14 h/b	Werner	£199/307	£40	Feb 13
Courchevel, France	7/14 s/c	Holiday villas	£134/171	£15/19	Feb 13
Zermatt, Switzerland	7 s/c	Ski West	£121	£30	Feb 13
Courmayeur, Italy	7 h/b	Ski West	£150	£30	Feb 13
Val d'Isere	7 s/c	Ski West	£122	£30	Feb 13
Verbier, Switzerland	7 s/c	Ski West	£129	£10	Feb 20
Meribel France	7 h/b	Ski West	£219	£10	Feb 20
Selva Italy	14 h/b	Small World	£199	£76	Feb 13
Selva	14 h/b	Small World	£199	£60	Feb 20
Pontresina Switzerland	14 h/b	Small World	£229	£70	Feb 21
Les Arcs, France	7 s/c	Erna Low	£65	£41	Feb 12 by coach
Les Arcs	14 s/c	Erna Low	£95	£38	Feb 12 by coach
Verbier	7/14 h/b	Ski MacG	£195/331	£43/20	Feb 13
Meribel	7 h/b	Ski MacG	£205	£43	Feb 13
Val d'Isere	7/14 h/b	Ski MacG	£195/299	£43/37	Feb 13
Val d'Isere	7/14 s/c	Ski MacG	£104/136	£15/20	Feb 13
Chiesa, Italy	7/14 h/b	Global	£104/150	£30	Feb 13
Chiesa, Italy	7/14 h/b	Global	£102/142	£30	Feb 27
Bormio, Italy	7/14 h/b	Global	£123/205	£30	Feb 13
WINTER SUN					
Morocco tour and Costa del Sol	14 h/b	Tjareborg	£219	£30	Feb 19, 26, Manchester
Malta	7/14 h/b	Tjareborg	£109/119	£45/63	Feb 27
Madeira	7/14 h/b	Tjareborg	£59/209	£36/43	Feb 17, Manchester
Tunisia	7 h/b	Thomson	£156	£15	Feb 25, Luton
Tunisia	7 h/b	Thomson	£157	£25	Feb 18, Glasgow
Athens	7 h/b	Thomson	£117	£30	Feb 10, Luton
Rome	4 h/b	Thomson	£116	£25	Feb 15, Luton
Salzburg	4 h/b	Thomson	£106	£20	Feb 19, 26 Luton
Malta	7/14 h/b	Portland	£119/159	£32/40	Feb 12, Luton
Malta	14 h/b	Portland	£159	£40	Feb 13
Tunisia	7 h/b	Portland	£119	£21	Feb 12, Luton

Flights are from Gatwick unless otherwise stated. All discounts are calculated on current brochure prices. *May only be booked directly. Small World telephone 01-240 3233, Portland 01-388 5111 or 061-228 1188. Tjareborg 01-499 8676 and 061-236 9511

In the desert/Louise Nicholson

Dali dawns amid the dunes



Top: Falcons and fast cars — ancient and modern status symbols side by side in the Emirates. Above: fishermen at Khor Fakhan spread their catch to dry on the sand

Business travellers were first to explore the rest and recreation possibilities of the United Arab Emirates. Now holidaymakers are discovering the guaranteed sunshine of these desert states.

Everything in the United Arab Emirates is topsy-turvy. Swimming pools are refrigerated to prevent the water becoming too hot; petrol is cheaper than Perrier water; jumbo-loads of plants are flown in to line the arid avenues of Abu Dhabi.

Guests carry a wealth of green matting round the desert course for teeing off, and, although new highways shoot off into the desert, progress is so rapid that there are no up-to-date maps and almost no road signs.

Nothing is as expected. All five-year-old children know that a desert is flat, yellow and, most of all, empty. But, in real life, the desert has steep-sided dunes of burning orange at sunset, softening through blushing pinks to cream before darkness, when the sky is filled with busy twinkling stars.

After the chilly early hours, the dawn sun tints the rippled sand a deepening yellow, before rising to scorch down on a Dali landscape with such intensity that reality is heightened and all sense of perspective is lost.

The desert is not empty either. Tiny lizards lurk in the shade of gnarled dwarf trees. A Bedouin passes by, leading his gaily caparisoned camels to big-price races held at dawn outside the big cities, or perhaps to the early morning camel market at Al Ain.

Some Bedouins still live in the desert, not tempted by a free house in the city. Outside their modest huts the camels are tethered next to the air-conditioned Range Rover and Cadillac.

Once, rivers cut between the jagged pink and green marble mountains bordering the desert to the north and east. Now their dried-up beds — or wadis — are littered with boulders, with an occasional tree and frogs sporting across pools of water. Then suddenly appears an oasis of lush palms alive with birdsong, giving shade to flowering oleander.

It is not necessary to ride a camel to visit the desert. Safaris now take in gleaming white four-wheel-drive Land Rovers, accompanied by a cook. After dinner, prepared on a charcoal fire, sleeping bags are provided on overnight excursions.

Just outside the ultra-modern oasis city of Al Ain — complete with museum, university and high-rises — is its mother town of Buraimi. It is one of the few mud towns to have survived the Portuguese, British and now Arab thirst for demolition and rebuilding, perhaps because of its geographic and historical importance. For the trading routes between Asia and the Middle East, Buraimi was the last stop before crossing 1,100 miles of desert — the Empty Quarter. There the 1819 treaty was signed placing the Trucial States under British protection.

The town, built entirely of mud strengthened with palm fibre, has an outer wall which encloses small plots, divided by streams and linked by raised paths, like Corbuser's Cité Idéale. The people of Buraimi seem to live in the water forever washing themselves, each other, their clothes and their brass pots, oblivious to all around them. All is cool and drowsy under the heavy shade of date and coconut palms.

Buraimi is exceptional. Almost everything else in the Emirates is new — including tourism. The seven sheikdoms — Abu Dhabi, Dubai, Sharjah, Ras al-Khaima, Fujairah, Ajman and Umm al-Qaiwain — have just celebrated their tenth birthday as a sovereign state. With their new-found affluence from oil, the small ports and oasis towns have changed so quickly that nothing is constant except the heat.

In Dubai, a few of the older merchants' houses survive in the Bastakiya quarter, with elaborately carved wooden doorways and wind-towers designed to suck the slightest breeze down into the house — an early form of air-conditioning. But down the creek, times have changed. The fine natural harbour on which Dubai's great trading wealth was built has now been cleared of silt, and the majestic dhows, their sails replaced by engines, glide past two walls of sparkling high-rises, almost all banks. Dubai is the Gulf's answer to the Venice of the Desert.

The old spice souk — or market — has also survived the fad for rebuilding. Tiny shops are piled with sacks of cinnamon, nutmegs, dried limes and strivelled turmeric and ginger roots which spill out into the dimly lit alley, filling the air with the thick sweet perfume of the Orient.

Nearby is the gold souk, each shop window a curtain of shining jewelry of Arab and European design, sold entirely by weight. The official gold rate and the cost of bullion bars is given out regularly on the radio, which is handy for women weary of their decorations. They can saunter to the souk, have last year's styles weighed, and swap them for the latest baubles, paying nothing for the design, only for the extra weight. Gold is cheap because here are no local taxes, and because the Emirates are classed as a developing and not a developed country. Customs do not levy duty, but it must be declared and VAT paid.

On the beaches of Sharjah, the beautiful dhows continue to be built in the traditional way — although the Arab foremen now employ Indian labour. By contrast, the new souk offers every modern electronic gadget. Prices are low, and again only VAT is payable at British Customs, so it is well worth knowing what the hi-fi and kitchen

requirements are before leaving home. Cassettes are only 75p each, so you can buy a complete set of Beethoven symphonies for £6.75.

Preconceptions about dubious standards of hygiene are quashed by an early morning visit to the new Sharjah fruit market, built in the shape of a horseshoe. The shopkeepers, mostly of Lebanese, Syrian and Polish, every item before arranging ambitiously high piles of oranges, passion fruit and tomatoes on round trays. Even potatoes receive the full treatment. Women sit on the floor, at the entrances, sorting and bundling herbs. The Emirates are so cleanliness conscious that all imported food — even sugar — is stamped with a self-by date, shopkeepers stock only date food may be sent to prison.

Hotels are the social focus for the large European workforce. They meet for a cocktail, have a barbecue lunch, European or Lebanese food, beside the pool, and enjoy the water sports, including skiing, paragliding, snorkelling and windsurfing.

Contrary to popular belief, Arab women hold a strong position in the family, for after the marriage, the couple live in the husband's home. Perhaps this is why visiting European women are shown more respect than in many countries nearer home. It is quite safe to wander alone, but skimpy shorts and plunging "backless" are frowned on.

From November to March, the temperature ranges from 75 to 90 degrees; from April, heat and humidity rise uncomfortably. Throughout the year, only one piece of warm clothing is essential: a jumper for the chilly hours sleeping out under the desert sky.

British Caledonian and Holiday Inns organise a "Night in the Emirates" package. Seven nights costs £549, nine nights, £664, for bed and breakfast only. Supplements are payable for single rooms and half-board. Tours can be tailor-made: Sharjah, Abu Dhabi, Khor Fakhan, Contact Nawas Travel, 19 Great Portland Street, London, W1, or Marlow, 94a Brompton Road, London, SW3.

Sharjah Safari Company organise a variety of safaris, from dinner only, to a two-week adventure trek. Day trips should be booked at least a week in advance. Contact: Sharjah Tourist Centre, Sharjah, Tel: Sharjah 353738.

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On the winter sun and city breaks front, Thomson Holidays has new reductions under its "best buy" and "square deal" schemes. "Best buys" must be booked in February, and offer discounts of up to £20 on a range of three, four and seven-night holidays to Greece, Tunisia, the USSR, Italy, Austria, and on the company's European High-Lights coach tour. Flights are in late February and throughout March from Gatwick, Luton, Bristol, Cardiff, Birmingham, Manchester, Newcastle, Glasgow, Edinburgh and Aberdeen.

"Square deals", offering average savings on brochure prices of £30, are available from 13 airports to Spain, Greece, Tunisia, Hongkong, Malta, Morocco, Portugal and The Gambia. Under the "square deal" scheme the holidaymaker chooses the departure date, airport and resort, and the tour operator allocates the hotel. Prices are final and guaranteed against all surcharges.

Still on the subject of surcharges, Olympic Holidays has announced that it will levy no surcharges on any of its holidays beginning in April. The company is also offering holiday brochures at rates in April to Corfu, Crete, Rhodes and Kos.

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Gardening/Roy Hay

Can spring be far behind?

Most of us are licking our wounds after the vicious cold weather of December and early January. It will be months before we can assess fully the damage to our plants but it is obvious that the top growth of many plants has been damaged beyond repair.

We have been waiting for the first belated signs of the awakening year: crocuses, winter aconites and early snowdrops. So far few have ventured forth.

Our winter flowering heathers are a disaster, but curiously our witch hazel, *Hamamelis mollis*, "Pallida", is flowering splendidly, quite unaffected by the frosts. The green catkins of *Garrya elliptica*, which we treasure so much for flower arrangements, are shrivelled and useless, as are the bumper crop of catkins on our corkcreeper hazel, *Corylus avellana* "Contorta".

I have never known since 1962-3 a time when it has been so hard to find enough flowers to make even a small centerpiece for the dining table. Our Christmas roses and other Hellebores, normally giving us some flowers in January, are showing only a bud or two above ground. Even our *Iris unguicularis* (I. stylosa) in the cold frames are not yet in flower.

The green flowers of *Helleborus coriaceus* have been around for nearly two

months and were quite untouched by the frosts. Green flowers I know are much appreciated by flower arrangers but I have never been greatly attracted by them, although I claim to be a choice of foliage in 50 shades of green and other colours, why bother to grow green flowers? However I must admit that these green hellebores have their uses in winter.

According to Sheila MacQueen all hellebores last better in water if the stems are hammered or dipped in an inch of boiling water for several minutes and then stood in deep water for 12 hours or more. She also says that flowers of *orientalis* may flag after a few days but will recover if submerged overnight and that one can do this several times.

What we are desperately hoping is that we will have no "false spring" to lure into growth plants that have wisely been biding their time and which could then be cruelly stricken by a late cold spell. All the berries of our local hollies, cotoneasters and pyracanthas disappeared like magic in a week or so in the coldest part of our arctic spell. Yet our plants of *Skimmia japonica*, which were richly laden with berries, have been untouched.

Obviously there is something in these berries that the birds dislike. It should

not be beyond the wit of our chemists to find out what it is, possibly synthesize it and put it on the market as a deterrent spray to protect fruit buds and blossoms. Bird-scare devices which I claim to be) may say indignantly that such a compound might be poisonous, but if the birds shun the berries, they would, I am sure, shun anything sprayed with the deterrent.

Skimmias are really attractive: small bushes with fragrant white flowers, but to get berries, you have to plant one male plant, which of course would pollinate several female plants. Skimmias seem able to shrug off the polluted atmosphere of towns, where other evergreens would be less than happy.

So with the dearth of flowers or berries in the garden for our indoor enjoyment, we have been even more appreciative than usual of our forced daffodils and hyacinths, cyclamen and various foliage plants. A friend gave us a plant of the variegated form of *Schefflera*. This is a charming foliage plant with white and green variegated leaves, each divided into eight or nine segments three or four inches long.

We were able to bring into the house the first of a small batch of Suttons "Sweet Scented Mixed" cyclamen that we raised from seed

sown in the early autumn of 1980. The flowers are smaller than those of the normal florist's cyclamen but many people find them daintier and more elegant and of course strongly and sweetly scented.

Though I have grown the hyacinth "Pink Pearl" in bowls before, I had not realized it was a more sturdy variety with fat spikes on stout stems than the others we have normally grown over the years — possibly because we did not have it in bloom at the same time as the others. But this year I realized how sturdy it is and provided of course that it is given as light a position near a window as possible it needs only the minimum of support. Indeed it was only when the blooms were fully open that we had to put a short stick in the middle of the bowl and one loop of string around the spikes to keep them upright for their last few days.

Other varieties have grown taller and needed several canes and more complicated tying. The amount of stem growth made by forced bulbs depends, of course, largely on the amount of light they receive — the more light the less lanky the stems.

But I have now learned that "Pink Pearl", a very old variety that has stood the test of time, has produced several sports which all have the same sturdy habit — "Apol-

lo" pale pink, "Violet Pearl" and "White Pearl" — the last named they tell me being rather an off-white or ivory shade rather than a glistering pure white.

The frosts have wrought havoc with many a private macadamized drive and the "cowboys" are busy knocking on the doors offering to patch up the potholes or, more likely, to resurface the whole drive. Their story is usually the same — by an "extraordinary coincidence" they happen to have a lot of bitumenized macadam left over from another job and so can do your drive at what they call a real bargain price. Too often they just put a thin skim of macadam over the drive; it would cost a lot less if the job were done by a local firm and be finished better because local firms have a reputation to keep.

The "cowboys" will be up and off after a week or two with their caravan and lorry to another distant part of the country. If these people offer a three or five year guarantee, show them the door. No reputable local firms can guarantee a drive over any period because they depend on a "bulk" together for their macadam. If the drive is not satisfactory after a reasonable time they will put it to rights — their good name depends on giving good service.

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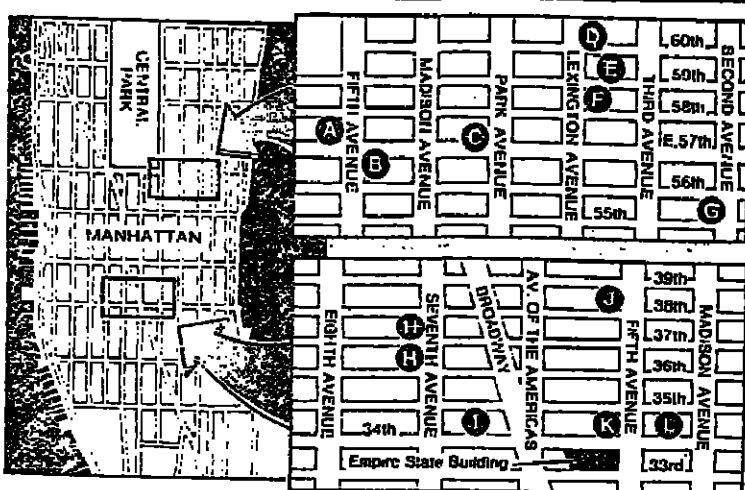
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The transatlantic shopper hopper

Where on earth would you expect to go shopping in an exotic hazy, buy cheese in an antique shop, which is where a lot of cheese should be, get vanishing tricks from the place where Houdini once shopped and buy a cut-price shirt on a Sunday, standing next to a king who had just slipped his bodyguard? New York, where else?

The maddest, baddest, saddest, gladiest place in the world to go for a three-day shopping spree, which is what I was invited to do last weekend, and as you can now do the whole thing, including hotel, for £240 return, it is the modern equivalent of popping over to Paris with one unobtainable bonnet, everything's cheaper if you know where to go.

New Yorkers who do know where to go, work on the principle that God created the Gentiles because somebody had to buy retail. The places to try your luck are the wholesale offices in the garment centre, five blocks around 462 Seventh Avenue, and the jobbers in the same area — traders who buy up cancelled and unsold stock and sell to the public at less than retail prices. The best guide to names is a thick tome called *Where to Find It, Buy It, Eat It in New York* by Gerry Frank, available in the city's main book stores at \$9.95.

If you are not quite so barefaced about your bargains, the other place to look for discounts is the Lower East Side which, with Chinatown and Little Italy, were the first residential areas on Manhattan Island and the first stepping stone to prosperity for many an immigrant family.

Orchard Street is Mecca, but never on Saturdays, as the traders are mostly orthodox Jews. Go on Sunday morning to get the full flavour — and don't have breakfast. There are so many delicatessens you could do a begal crawl all morning.

I have to admit that, much as I love a bargain, I find the atmosphere in these narrow, crammed shops tends to defeat the whole object of shopping in New York. Now that excellent American merchandise is available in London, much of the pleasure over there is in the ingenuity of the presentation.

Moreover, you really do have to know when a bargain is not a bargain — when it has a famous label but last year's collar style, for instance. And really expensive items like furs were pretty much the same price as in London — or definitely not top quality. Alexander's, Lexington Avenue at 58th Street, would be a better hunting ground. Sundays noon-5pm, weekdays 10am-9pm.

Extra Cohen, though, at the end of Orchard Street at 305 Grand Street, is a paradise of percale and polyester — the discount store where in-the-know art hostesses buy their table and bed

linens. Famous name patterned sheets — Wamsutta, Marimekko, Bassetti — are all around £5 each single, £6 double, £7.50 queen and £9 king; pillow cases £4.50 a pair. Solid colours start at £3 single; Fieldcrest Royal Velvet towels are £2.75 hand, £4.75 bath. I am roughly translating from dollars by dividing by two, but even with a fluctuating exchange rate, prices are still about 40 per cent cheaper than for the equivalent here. Sunday-Friday, 9am-5pm.

Macy's at Herald Square, Broadway at 34th Street, has the best department store selection of linens, if you don't feel like hitting the discount trail — all beautifully displayed and still at excellent prices. Two things to remember about American bedding — you often can't get valances (which they call dust ruffles) to match sheets — they tend to team with comforters, which Americans use instead of their thicker duvets. The other point is that sheets are slightly larger on all sizes, so you may prefer not to buy fitted bottom sheets if you like them tight and wrinkle-free. Sundays, noon to 5pm, weekdays, 9.45am-6pm.

Orbach's 5 W 34th Street and B. Altman, Fifth Avenue at 24th, are totally different cups of tea. Orbach's Quick Brew to Altman's Earl Grey. The former is middle-of-the-road fashion at middling prices, the latter is really rather correct, but it does have an entertaining autograph department with some unusual and interesting signatures to delight collectors. Sunday opening noon-5pm. Weekdays 10am-6pm.

Lord and Taylor, Fifth Avenue and 38th, is worth a quick visit while you are in this area. It has a very good handbag department, although not cheap, and a rather gracious atmosphere that British shoppers will probably find interesting. Some Americans call it staid, but as it was the first store on Fifth Avenue in 1903 that is to be expected. To a child anyone over 50 should be dismantled immediately and part-exchanged for a push-button model. Weekdays, 10am-6pm.

Bergdorf Goodman, further along Fifth Avenue at 57th Street, is very grand and very expensive as you would expect from a shop whose corner is taken up by Van Cleef & Arpels, diagonally across the road from the place where Odgen Nash said really rich people get their tiffs from. Tiffany's. Top labels, top prices. Weekdays, 10am-6pm.

Hamacher Schlemmer, 145 E 57th Street, is the kitchen shop New Yorkers wouldn't dream of going anywhere else for their precision clam openers, their ultrasonic rodent chasers, or professional blood pressure analysers, presumably for those who didn't have the foresight to equip themselves with battery operated flour sifters — enough to give anyone the shakes. Not cheap, but fun. Weekdays, 10am-6pm.

The Loire Valley is a chapter of historic houses and castles but anyone staying near Angers should also try to see the Cointreau try to see the Cointreau establishment, on the fairly modern industrial estate — a new installation as elegant as the liqueur, with well-organized tours around. Uninhabited châteaux can seem melancholy but Brissac, where good wine is made and Montgeoffroy, with all the furniture specially designed

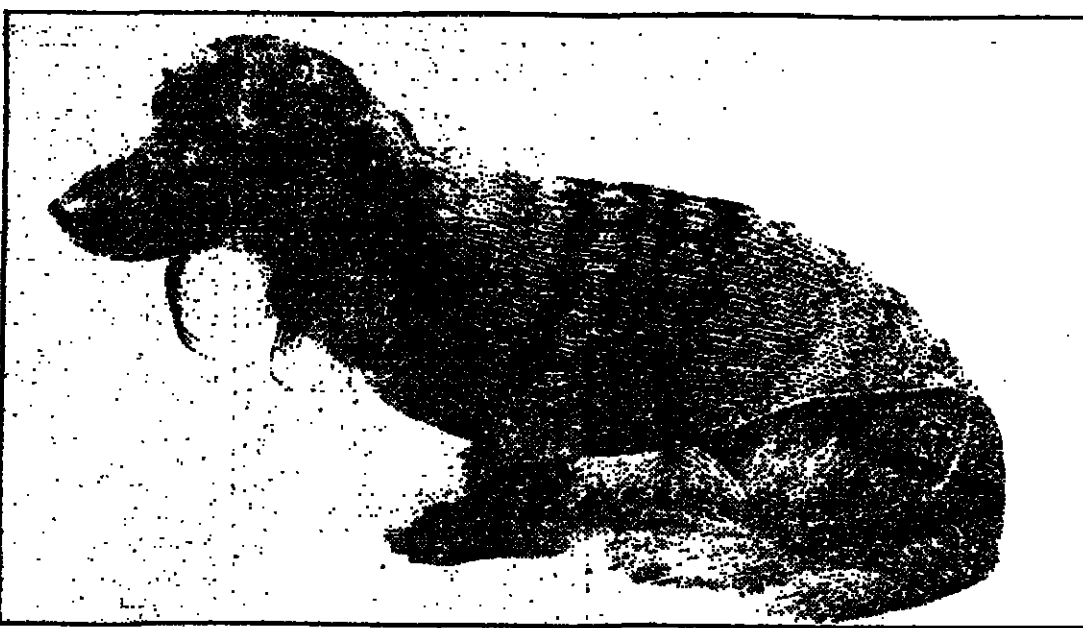


have attracted the attention of all great wine authorities. Torres wines are widely available in Britain and they do not release their reds until these are beginning to be bottled. Watson's Wines of Spain, 2 Norfolk Place, W2, have the 1976 Viña Magda for £3.76. This, made from the Pinot Noir and Carinena. The former classic grape, slightly predominating, has a gentle allure and lively after-taste. The Pinot Noir, Carinena the touch of sturdiness. This, rather than any suspiciously low-priced Burgundy, would be good with roast hare or rabbit, end-of-season game casseroles or, even, that slightly problematic food, a ham or gammon joint.

Barcelona, rich in art treasures, also offers much to the wine-lover. In bars and as aperitifs the Catalans drink their excellent sparkling wines rather than sherry and the establishments of Cordoniu, Freixenet, Monistrol, well-organized to receive visitors, are less than an hour's drive away. At Vilafranca del Penedes, one of the historic towns, there is a fine wine museum (which also has a bar) in a former mansion, meriting at least a couple of hours' viewing.

Here the great name is Torres, a family firm, world-famous both for their quality wines and for the adventurous work of Miguel Torres Junior, whose plantations in Chile and, even more creatively, the high Penedes where Riesling is now grown.

When God blessed America they hadn't invented jet-lag, but if you can't face crossing the Atlantic to do your shopping, don't give up — London is blossoming with new world design talent. Illustrated is a small selection to give you a taste of the flavour of the month.



For your preppy puppy — crazy canine coat in emerald tairale, £10. Also in blue, gold, red or brown from Harrods.



Sickly packaged American score cards and pencils in a presentation carrier for bridge fanatics, £8.95. Also a 'Chef's Special' version for cooks. From Heal's, Tottenham Court Road, W1.



Bloomingdale's, 1000 Third Avenue at 59th Street, you simply cannot miss. Innovative and exciting, it develops a lot of its own merchandise with suppliers all over the world — the next promotion is \$5m worth of products from the Philippines from April 14 for six weeks. Look at the 'main course' concourse of household shops, at the several handbag departments and at the hosiery — pure silk rights in pale pink, grey, beige at \$28.50 a pair, control-top tights, slightly elasticated at the top to smooth away hippy bulges, \$3.50 (also available in other stores — why don't we have them here?). The store is so certain of its snob appeal that it doesn't even bother to put its name on its carrier bags any more. Sunday opening, 10am-5pm. Weekdays, 10am-6pm.

America Burrell, 316 E. 70th Street, near Second Avenue, is

worth a taxi trip if you are craving a real antique American patchwork quilt. They have an amazing selection, all in excellent condition and collected by Kate and Joel Kopp, who have specialized in American folk art mainly from New England, Pennsylvania and New Jersey. Many are nineteenth century — a superb mid-century log cabin quilt was about £400 and there is a big selection of 1920s and 30s quilts at £200 to £300. Open Tuesday to Friday 12-7, Saturday 12-6.

Funchies, Bunkers, Cakes and Gleecks, would you believe, is at the Manhattan Art and Antique Centre, 1050 Second Avenue, the nearest thing to Grays Antique Market in London. The odd name was invented because Joe Stamps got confused at auctions too often with other Stamps and wasn't about to pay for their mistakes, too. He and his partner

Al Peacock (comes from Surrey, but didn't like the poor) are nothing if not eclectic and have a fascinating collection of decoy ducks, quilts, bric a brac, Autolycus truffles and cats, (Joe collects living, breathing, polydactyl cats, too — he has five. Weekdays, 11-6, Sunday 12-6.

Cohen's Fashion Optical, 767 Lexington at 60th on the corner next to Bloomingdale's have several branches around the city and a selection of 4,000 frames, including those by top European designers, and 500 soft contact lenses in stock. Prices are about a third less than in Britain. Weekdays 9am-7pm, with branch variations. Ungluecomplicated prescriptions can be made up within an hour.

And that is what shopping in New York is about. You put

your money where the service is. If it takes more than an hour, you could be earning interest on it.

TWA's weekend packages, three nights in a hotel, are from £240 at the Executive Hotel, or £264 for the New York Sheraton, Barabara Plaza or Summit (all first class) and £280 for the New York Hilton, Waldorf Astoria or Vista International (de luxe). Prices will rise after March 26. If you travel independently and aren't counting the cost, try the Mayfair Regent, 610 Park Avenue at 65th, from \$115 a night, double. I stayed there and found it elegant, comfortable, friendly and with an ingredient often lacking in New York — charm.

Main opening times have been given throughout. Many stores have late-night shopping at least twice a week. The main one is Thursday, often to 8.30 pm.

Tips, traps and taxis

Shopping in a strange city, no matter how exciting, is never entirely without pitfalls, so take note of a few traps and tips to make New York spending simple.

The price displayed is not the price paid. They add 8 1/2 per cent state tax on everything, including food, over the counter or in restaurants. Take a calculator — or make it easier by adding 10 per cent and be thankful when the final bill is less than you expected.

New York taxi drivers speak no known language and would not tell you where anything is, even if they knew, which they don't. Ours even took us to the wrong hotel, and as Peter O'Toole patronized it for a drink while we were there, it was not exactly undistinguished. Always give precise directions. Lexington between 65th and 66th, for instance. More, they will not give change for anything more than a \$5 bill and have notices in the cabs saying so. I am sorry they live such hazardous lives that they dare not carry a lot of money around, but if I did not love London cabbies too much to let them go, I would start a campaign to export them. Every city should have one.

American Express dollar cheques are not like currency, as advertised. Many places will accept them and give change, but Macy's wouldn't do so without identification — it is the store policy, said the sour matron on the Calvin Klein shirt counter, who made me feel like a criminal for not having my passport with me. American Express themselves were not too keen on advancing money just on my AE card either, but, oddly, accepted my union card as proof of honest toil — NUJ, NUJ, clink, clink.

On the credit side, Personal Shoppers are a wonderful American institution and will save an enormous amount of time in weariness trudging from floor to over-heated floor. The big stores have so many departments at different price levels it would take for ever to go through all the possibilities to find the perfect sweater to match a skirt, for instance. Call on a personal shopper and she will do your searching for you, coming back with, say, six possibilities at different prices. The service is free and is available whether you are looking for one item or a whole wardrobe.

Mostly it is best to make an appointment with a personal shopper. Bloomingdale's have three types. At His Service, for men. At Your Service, mostly women's clothes, and The Beatrice Dale Personal Shopping Service, for household goods as well as clothes. At Macy's the service is called Macy's Buy Appointment.

At Bergdorf Goodman there are five shoppers in the Miss Bergdorf Now department on the fifth floor who will shop throughout the store for you and if you are in their name-dropping league Elle Throux deals with the European collections — Ungaro et al.

The average tourist wouldn't think of buying furniture abroad because of the transport costs, but as a friend recently furnished her London flat with luxurious American sofas which, including shipping, cost half as much as they would have done here, you may like to know the secret.

The drill is to look around the stores, take notes of the style numbers and all details on the price tickets and then go along with your dossier to James Roy Incorporated, 15 East 32nd Street, between Madison and Fifth Avenue, on the fifth floor. His prices are guaranteed to be at least a third less than American retail prices, which means an even greater saving on the British price. He ships lamps, beds and furniture for dining, living and bedrooms to anywhere in the world.

Drink/Pamela Vandyke Price

A taste of the regions

A spring break can include a wine region and, as the weather may not always encourage lingering in vineyards, here are suggestions for other places of interest, plus bottles to try while you ponder the travel brochures. A little advance reading is invariably useful and an informed bookshop, such as John Sandoe, Blackmans Terrace, London, SW3, can advise on the practical worth of the many wine and travel books now in print.

Peter Dominic's pocket guide, *Visiting Vineyards*, is free from their branches or headquarters at Vinter House, River Way, Harlow, Essex.

Barcelona, rich in art treasures, also offers much to the wine-lover. In bars and as aperitifs the Catalans drink their excellent sparkling wines rather than sherry and the establishments of Cordoniu, Freixenet, Monistrol, well-organized to receive visitors, are less than an hour's drive away. At Vilafranca del Penedes, one of the historic towns, there is a fine wine museum (which also has a bar) in a former mansion, meriting at least a couple of hours' viewing.

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when the beautiful house was built, are still lived in and so is Cheverny, where the hunting museum, pack of hounds and enormous curlicued hunting horns will probably interest any younger members of the family.

Around Cheverny the 'little' wines are, nowadays, pleasing baby classics and the Caves de la Madeleine, 301 Fulham Rd, SW10 — also in Paris — have two Cheverny VDQS wines from Jean Gueritte. The 1980 white is made from the Sauvignon, light, fresh and with the slight smell of white currants that this grape can emit when coming from cool vineyards. The red is made from the Gamay — Loire Gamays, say the locals, used to be sent 'somewhere further south' in huge quantities before controls were tightened. Its mouth-filling fruit makes another light, pleasant regional wine. This Gamay would be agreeable with any everyday fare requiring a red wine. From a toasted cheese sandwich to veal and ham pie, a good aperitif as well as partnering salmon mousse — or fish fingers. Both cost £2.95. California is a break-away region for many these days and even visitors whose schedule does not include a tour of some of the wine areas, should not miss the Christian Brothers' Collection at the Wine Museum of San Francisco, 633 Beach Street, almost adjacent to

Fisherman's Wharf. It is a well-designed modern building, has admirable displays and frequently changed special exhibitions, with dedicated and informed staff to consult at need.

A Napa Valley red that recently impressed many is the 1977 Clos du Val. Many California red wines, especially those that stress the Cabernet Sauvignon, tend to be aggressive — and too high in alcohol for the bouquet to emerge. Clos du Val was planted in 1972 and the wine-maker is Bernard Forster, who grew up at Chateau Lafite-Rothschild, where his father was maitre de chai until his retirement, and whose brother is wine-maker for Taltarni in Australia. He thus possesses the wisdom of both the old and new worlds of wine.

The 1977 Clos du Val is 87.5 per cent Cabernet Sauvignon but, significantly, the remainder is Merlot, giving the wine charm plus its excellent balance and delicate spiciness. Open or ideally, decant it several hours before drinking. This is a truly fine wine but it does not appeal, although it would be interesting to serve (blind) alongside a red Bordeaux of the same vintage and see what views were expressed. As some of the finer California wines are both costly and virtually on quota because of the demand, this is a bargain at £6.82 from Avery's, Park Street, Bristol.

As I was saying last week, home made puff pastry with its 730 paper thin buttery layers, is the foundation of all sorts of elegant and often inexpensive dishes. Try filling golden puff cases with lightly cooked shreds of leek, carrot and celery, and a little butter sauce, and see if this is not as delicious a first course as you will meet anywhere.

Later in the year, use the same treatment for steamed asparagus tips. Or experiment with seafood, meat, and poultry fillings, varying the sauces appropriately. Squares, rectangles and diamond shapes waste less pastry than the usual round vol-au-vent cases, though there will still be some offcuts of raw pastry. Stack the trimmings neatly — never screw them up in a ball — so that they can be rolled to make cheese straws or palmiers.

The detailed instructions for cutting and baking the puff pastry which follow in the recipe can be adapted to make larger or smaller cases of any shape.

Feuilletés de légumes d'hiver. Serves four. 400g (14 oz) puff pastry. 1 egg, beaten to glaze. For the filling. 110 g (4 oz) carrot. 110 g (4 oz) celery. 225 g (8 oz) leek.

Again avoiding the edges of the pastry, brush the top of each square liberally with beaten egg. Prop a wire drying rack about 5cm (2 inches) above the baking sheet with suitable oven proof objects — at least a use for those stainless steel egg cups. Bake the pastry above

the centre of preheated hot oven (200°C/400°F, gas mark 6) for 25 minutes, until well risen and golden. Puff pastry is temperamental stuff and the restraining rack prevents the odd maverick piece from rising too high and topping over.

Cool the pastry on a wire rack until it is cold enough to handle then carefully pull the tops off the feuilletés. Using a sharp pointed knife, cut away any uncooked layers in the centre, taking care not to break the fragile side walls. Return the cases to a very cool oven (110°C/225°F, gas mark 4) for five to 10 minutes to finish drying.

To prepare the filling, cut the carrot, celery and leek into very fine julienne strips about 5cm (2 inches) long. Melt the butter in a heavy-based pan and add the

30 g (1 oz) butter. Salt and fresh ground white pepper. For the sauce. 2 egg yolks. 1 teaspoon lemon juice. 110 g (4 oz) butter. Salt and freshly ground white pepper.

Roll out the pastry on a cold, lightly floured surface to a rectangle about 20 by 40 cm (8 by 16 inches). Using a ruler, and a metal cutting wheel in preference to a knife which may drag the edges of the dough, trim the rectangle neatly. Divide the sheet of dough into eight 10 cm (4 inch) squares. Dampen a heavy baking sheet by sprinkling it with water and arrange four squares of dough on it, spacing them well apart. Touch the edges of the dough as little as possible. Brush the top of each piece of positioned dough with water and place a second square on top. Avoiding the edges, press them lightly together with your fingertips. Chill the prepared pastry well.

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vegetables. Cook them on a low heat, shaking or stirring the pan from time to time, until the vegetables are just soft, but not mushy or brown. Season them to taste with salt and pepper.

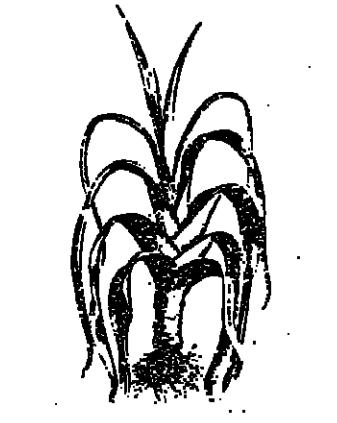
To make the sauce, beat the egg yolks in a saucepan with the lemon juice and six tablespoons of water on a very low heat until the mixture is thick and light. Melt the butter in another pan, then whisk it, a little at a time, into the egg mixture. Continue whisking until all the butter has been added and the sauce has thickened a little. Season it to taste with salt and pepper.

To assemble the dish, put a hot puff pastry base on each warmed plate and divide the vegetable mixture between them, letting a few strands of vegetable spill over the sides. Pour a little sauce into the centre of each case, and a little on the plates beside them. Top with the pastry lids and serve immediately.

The pastry cases for this dish may, of course, be baked in advance and reheated. The vegetables must be cooked at the last moment, but can be prepared in advance and kept in an airtight container in the refrigerator. The sauce needs last minute attention, but with the help of a food processor, which allows you to pour boiling butter into the egg and water base, it takes only moments to make.

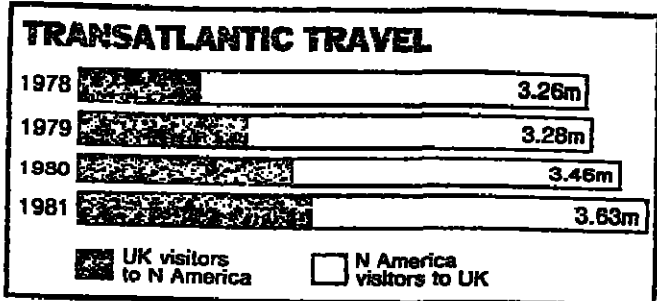
The Times Cook/Shona Crawford Poole

All puffed up



BUSINESS NEWS

More go transatlantic



Although December figures for transatlantic travel, of which Laker has been accounting for more than 20 per cent, have still to be announced, there is expected to have been some increase last year over 1980, rising to about 3.5 million crossings from 1980's flow of rather more than 3.4 million. North American visitors to Britain, whose numbers had declined by 5 per cent in 1980, in the third quarter of last year edged up by 1 per cent over the same quarter of 1980. But the same quarterly comparison of Britons travelling to North America shows only a 6 per cent rise compared with the 27 per cent increase in 1980 over the previous year. Laker increased its carryings over the Atlantic by just over 14 per cent last year to 534,500 one-way passages.

Fewer US jobless

The number of unemployed in the United States, now at 9.2 million, showed a surprise drop last month. The jobless rate fell from 8.8 per cent in December to 8.5 per cent — the first decline since last June. But Labour Department officials said the January figures appear to be an aberration — due to fewer hirings of seasonal workers in December — and do not represent any real improvement. The figures revealed a big increase in unemployment among industrial workers.

600 more jobs lost

Another serious blow to employment hit Kent's Medway towns today when the Rochester engineering firm of Winget announced it is to close, with the loss of 600 jobs. The shutdown follows decisions to close Chatham dockyard, with the loss of nearly 7,000 jobs, and British Petroleum's Isle of Grain oil refinery, with the loss of a further 1,600 jobs.

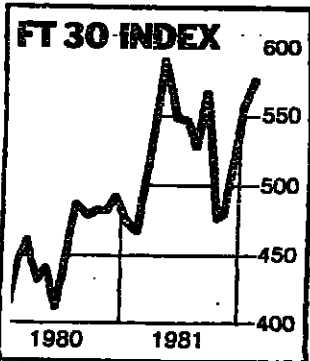
\$1,000m Ford loss Steel warning

Ford Motor Company of the United States lost more than \$1,000m (£537m) last year, it confirmed during negotiations with the car workers union. Results will be officially announced in a few weeks. General Motors this week announced a profit of \$333m (£179m) for last year, although its operating account showed a loss of \$138m (£74m). Chrysler's results are believed to show a \$550m (£295m) loss.

United States' steelmakers were yesterday accused of violating a 1977 world steel pact and international trade law by filing anti-dumping actions against European industry. The European Coal and Steel Community (ECSC) consultative committee, which groups together steel interests, warned of the grave consequences of charges that European steel exports had caused damage to the American industry.

MARKET SUMMARY

Laker boosts holiday firms



LONDON EXCHANGE

FT Index 578.8 up 3.3
FT Gilt 65.15 up 0.20
FT all share 329.93 up 1.21
Bargains 23,166

An air of optimism continued to hang over the market yesterday, despite the fact that Laker Airways had gone bust with debts of £200m.

The Government's apparent success at controlling public sector spending and the prospect of a 1 per cent cut in mortgage rates over the next few months came as good news.

Equities made further headway with the FT Index ending the second leg of the long three-weeker 3.3 up at 578.8. A rise on the account so far of 10.9.

Gilt were also in a cheerful mood, scoring further rises of 2 1/2 to 3 1/2 per cent in mortgage rates over the weekend.

However, with all this good news dealers were openly talking of a possible 1/2 per cent cut in bank base rates being announced next week — or at least in time for the budget on March 9.

Barclays Bank's new £100m 16 per cent loan issue opened up with a premium of 1 1/4 over the offer price of 22 1/2.

Barclays recovered from an initial fall to end the day 1 1/2 higher at 430p as was Lloyds at 460p and National Westminster at 430p.

The crash of Sir Freddie Laker's empire focused a morbid curiosity on several of the public holiday groups which might now benefit from the drop in competition. Among those to show appreciation were Davies & Newman 17p to 87p, Horizon 7p to 33p, Infotour 5p to 110p and Saga 7p to 162p. Even British & Commonwealth Shipping with a stake in British Caledonian managed a 12p rise at 385p.

Smith & Aubrey rose 5p to 50p after receiving the go-ahead for its proposed rights issue, which was announced following losses of £20m or more from dealings in the gilt-edged market.

Taser Kemble ended the day 5p firmer at 73p despite 1m shares going through the market, while another line of 1m shares left Prudential 1p higher at 235p.

The tin group, Pengsheng, jumped 82p to 350p on bid speculation. Straits Trading with more than 26 per cent of the shares has sold its entire holding to Aman Holdings.

Renault 7p holds 10.88 per cent and Gopeng Cons 13.53 per cent.

Among blue chips, BAT Industries came in for further adjustment of its share rating after the recent profits explosion at its Brazilian subsidiary. The shares closed 21p dearer at 431p.

Rumours of a bullish brokers' circular lifted ICI 4p to 342p.

The further the Edman, the hydraulic lifting gear group, appeared to have turned the corner following the appointment of Mr Geoffrey Buckley to the board last week, the group had lunch with brokers, Laing & Cruikshank, who remain bullish of the group's growth prospects. Analysts expect a turnaround in figures for the year to March from a loss of £3.3m to a profit of £2.5m with £4m projected for 1983. The price rose 3p to 91p against the 42p of a year ago.

Amstrad also reporting soon jumped a further 20p to 240p unperturbed on reports about a falling off of sales in CB radio kits.

Equity turnover on February 4, was £153,667m (16,618 gains).

Michael Clark

COMMODITIES

Dealing in tin was inhibited by a bomb scare at the London Metal Exchange yesterday. The second ring and kerb trade were prevented, as morning trade was suspended while Plantation House, which houses the Exchange, was searched. Before this, tin for nearby delivery reached a record high of £8,990 as covering and pricing operations continued in a market where the bulk of readily available metal is still in the hands of the operator who has dominated dealings for over seven months now. Dealers believed prices could have reached an even higher level if trading had not been stopped.

MONEY MARKETS

The Bank bought £401m. of bills on a forecast shortage of £400m. Its dealing rates were unchanged. Treasury bill rate at the weekly tender was fractionally higher at 13.57%.

Domestic rates:
Base rates 14%
3-month interbank 14%-14 1/2%

Euro-currency rates:
3-month dollar 15%-15 1/2%
3-month DM 10%-10 1/2%
3-month Fr.F. 15 1/2%-15 3/4%

OTHER EXCHANGES

Hongkong: Hang Seng Index 1,365.70 down 2.68
Tokyo: Nikkei Dow Jones Index 7,801.88 down 32.82

CURRENCIES

Sterling slipped on the cut in BNO's oil prices. The dollar firmed in response to the lower unemployment rate in the United States.

LONDON CLOSE

Sterling 11.850 down 110 points
Index 91.6 down 0.1
DM 4.3660
Fr.F 11.0850
Yen 434.00
Dollar Index 11.3 down 0.1
DM 2.3460 up 110 pts
Gold \$384.25 down 25 cents

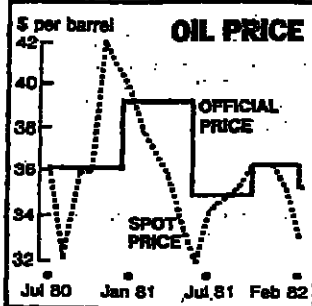
North Sea oil price cut by 1.50 a barrel

By Jonathan Davis, Energy Correspondent

The price of all of North Sea oil is to be cut by at least \$1.50 a barrel early next week reflecting the current world oil glut and the weakness of oil product demand that has sent petrol prices tumbling all over the country. The move could cost the Treasury £300m a year in lower tax revenue.

The British National Oil Corporation, which trades nearly two-thirds of all North Sea oil production, would not comment last night on its negotiations with the oil companies. But reliable industry sources confirmed the BNOC has offered to cut the price of its Forties crude — the official marker for North Sea oil — from \$36.50 to \$35.00 a barrel. Other North Sea crudes will also be reduced in price by the same amount and oil companies believe BNOC may yet have to concede an even larger reduction.

The move comes after intense pressure from the big oil companies, British Petroleum, Shell and Esso, who have been making heavy losses at their downstream refining operations. A reduction of \$1.50 a barrel would normally be expected to lead to a reduction in petrol prices of between 2p and 3p. But with petrol prices having fallen by about 10p since Christmas on average across the country, and more in some areas, the oil companies are unlikely to pass on the reduction to the motorist.



BNOC's decision to cut prices marks a major change of policy by the state oil corporation. Since last year, North Sea oil prices have been officially linked to those of Saudi Arabia, the largest producer in the Organisation of Petroleum Exporting Countries. The Saudi marker crude is still officially priced at \$34 a barrel, and North Sea oil has traditionally commanded a premium of \$2.50-\$3.00 a barrel over its Saudi equivalent. BNOC's move reduces the difference to \$1 a barrel, and means that it has — for the first time — attempted to lead official prices down.

The move clearly reflects the downward pressure on oil prices across the world. Cargoes of North Sea oil have been trading on the Rotterdam "spot" market at more than \$3 a barrel below their official price during the last few days. The current world oil surplus is estimated at between two and three million barrels a day.

The North Sea oil price reduction will hit Government's oil revenues. A \$1.50 cut is likely to reduce the tax due to the Treasury by about £300 million in a full year. If BNOC is forced to concede a larger cut, then the impact will be proportionately larger.

North Sea oil prices reached a peak in the first half of last year, when the price of the Forties marker crude was increased to \$39.25 a barrel. In June last year it was cut to \$35 a barrel, and went up again to \$36.50 after the last Opec meeting when Saudi Arabia increased its official price from \$32 a barrel to \$34 a barrel. Saudi Arabia is under increasing pressure from other Opec members to cut its oil output to defend current price levels.

Even if the leading North Sea operators accept the \$1.50 offer from BNOC (and they are expected to press for more), they will resume their pressure for a further cut when second-quarter contracts come up for negotiation in the second half of next month. They have been badly hit by the relatively expensive North Sea crude oil in their refineries at a time when oil product prices are so weak. Oil consumption in the United Kingdom was down by 7.7 per cent last year, according to Department of Energy figures issued three days ago.

Cut in home loan rates forecast

By Lorna Bourke

A cut of 1 per cent in the home loan rate within two or three months was predicted yesterday by Mr Alan Cumming, Building Societies Association chairman.

"And I would expect a further 1 per cent cut in the summer," he said.

Mr Cumming admitted that there was room even now to reduce rates but that the societies were anxious to avoid a repetition of 1981 when the mortgage rate dropped to 13 per cent but then rapidly returned to its previous record level of 15 per cent, where it now stands.

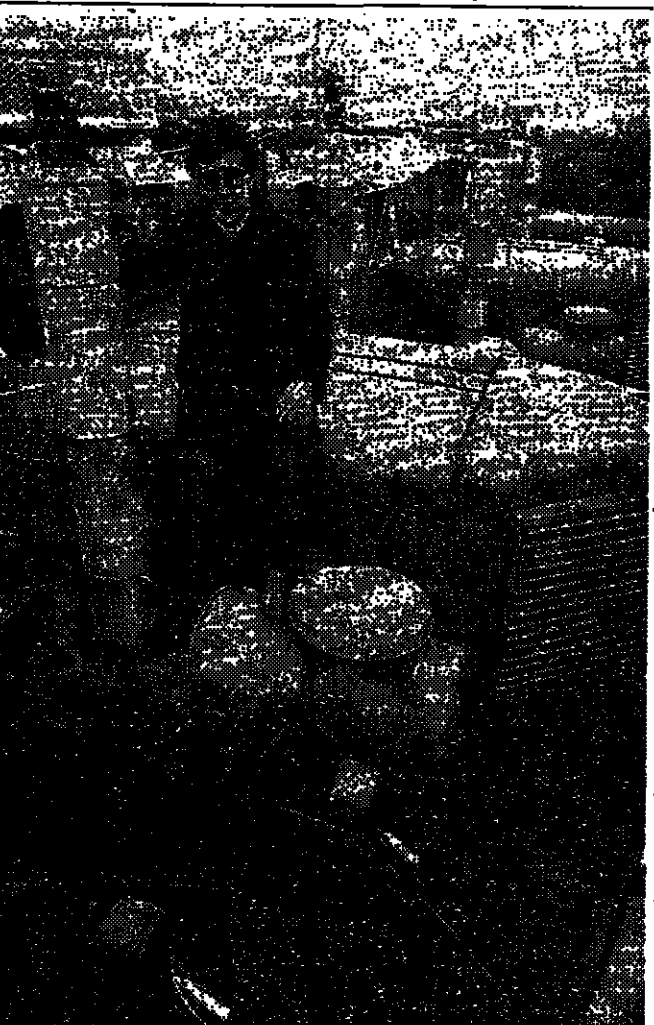
The societies meet next week to discuss interest rates but they may well delay making a decision until after the Budget on March 9. By then the Chancellor will have revealed how much he intends to raise through National Savings — the societies' biggest competitor for funds.

"If the Chancellor is not too aggressive, we should have plenty of money to lend and we see no difficulty in lending it."

The societies are not concerned to provide the Chancellor does not seek to raise the National Savings intake above last year's target figure of £3,500m.

Mr Cumming was also hopeful that the Chancellor might be prepared to raise the starting threshold for stamp duty from its present level of £20,000.

On the house price front, Mr Cumming is expecting the market to be sluggish. "We do not expect to see anything more than a modest rise in the rate of inflation. He pointed out that for the first time in recent years, homebuyers were paying a real rate of interest above the rate of inflation, but acquiring a property which was not keeping pace with the rate of inflation.



Geoffrey Bray: man of million-mile service skills

Wiltshire rejuvenation for desert monsters

Tired giants of the desert are being revitalized in a small Wiltshire town where Bray Equipment Sales is responsible for the million-mile service of the biggest trucks ever seen on British soil. The desert-fatigued, American-made Kenworth trucks, 40 feet long and 12 feet wide, are brought to Chippenham where brothers Geoffrey and Derek Bray set up a workshop for the vehicles which have one of the most punishing careers in the moving business — shifting oil rigs 24 hours a day.

Commenting on the work, Mr Geoffrey Bray said: "This is where the great British tradition of engineering skills is actually recognized. It is a lot cheaper to bring the trucks here than to transport people and spare parts to areas which are often politically unstable."

It takes 1,200 to 1,500 workshop hours for this mammoth service, which can cost between £50,000 and £90,000. "The trucks cost £130,000 each, so it is still the most economical way of doing a thorough job."

Brittan attacks government critics

By Melvyn Westlake

Mr Leon Brittan, Chief Secretary to the Treasury, yesterday sought to rebut government critics who claim that it would cost less to create jobs for the unemployed than keep them on the dole. He described such claims as a cruel deception on the unemployed.

As the level of joblessness has surged to three million the cost to the Government in additional benefits and lost tax revenue has risen sharply. Such costs are now estimated to exceed the Budget deficit.

According to some calculations, the Exchequer loses between £80 and £90 a week for each unemployed person. This is made up of additional benefits, and lost taxes and national insurance contributions. It has been widely suggested that this money could, therefore, be used instead to put people back to work.

Mr Brittan said that this was a seductive but fundamentally ill-founded argument. It was absurd to take the total "cost" of the unemployed and assume that that amount of money could be spent, without there being the most severe consequences for the economy in terms of inflation. The nature of the figures had been misunderstood.

If the Government employed a man in a public sector job at £90 a week, it would typically save £30 a week in benefits and would create £30 in taxes and national insurance contributions. But the Government would still be £30 worse off than before, just because the

revenue that the Treasury would receive from VAT and other taxes on spending, although these were part of the original case that a man on the dole cost £90.

Moreover, the Government's critics might point out that Mr Brittan had completely excluded the multiplier effect of creating additional employment.

The Government would collect additional revenue not only from those people for whom it had directly created jobs, but from other parts of the economy as well.

Mr Brittan said the only way that the state could employ or get jobs for the unemployed was by spending substantially more than is lost at present. But this would have to be financed by extra taxes of additional government borrowing.

Another Treasury Minister said yesterday that Britain's chances of achieving a lasting economic recovery have never looked better. Mr Nicholas Ridley, the Financial Secretary, denied that the latest CBI industrial trends survey contradicted the Government's claims that recovery was now proceeding steadily.

The dole 'is cheaper than job creation'



Mr Brittan yesterday: attacking the critics

cost" of an unemployed man was £90 a week, it did mean that the Government could lay its hands on that sum and pay it out in wages at nil net cost, in other words for nothing.

Even this calculation assumed that there were no other additional costs to be met when creating new jobs — such as materials, overheads and administration, Mr Brittan said. However, he did not appear to have included the revenue that the Treasury



Three months ago... the first UK-built Vauxhall Astra comes off the line, and now the model is No. 6 in the ratings

Vauxhall stars in top ten car chart

By Rupert Morris

General Motors sold more cars in the United Kingdom last month than at any time since June 1978, in spite of it being a poor month for the industry.

By pushing market share up to 13 per cent with its best-ever January figures, the company gave an encouraging start to Mr John Fleming, who on Tuesday became chairman and chief executive of Vauxhall Motors, GM's British subsidiary.

Vauxhall and Opel together sold 14,393 new cars in the United Kingdom, making it the third month in succession in which they achieved 11 per cent or more of the market, according to figures supplied by the Society of Motor Manufacturers and Traders.

The Vauxhall Cavalier became Britain's third best-selling car, after the Ford Escort and Ford Cortina, and Vauxhall was able, like Ford, to claim three models in the top ten, with the Astra sixth and the Chevette tenth.

There was disappointment for BL whose chairman, Sir Michael Edwards, announced last week that the long-troubled state car group was firmly on the road to recovery.

BL's best-selling car, the Austin Metro, slipped from second to fifth place, with only 5,914 registrations compared with the Cavalier's 6,647.

The Triumph Acclaim, jointly developed with Honda, retained seventh place with 2,852 registrations.

BL kept its dominant position with three of the top four models, the Escort just edging out the Cortina, which was December's best-seller, with 12,912 new sales registered against 12,680. The Fiesta held on to fourth spot with 6,550 registrations.

It was a disappointing month, with 114,296 new car sales, 16 per cent down on the figure for January 1981 of 135,105 new registrations. Industry sources expected some downturn in January, and blamed bad weather and the train-drivers' strikes. Interference with mail is expected to have delayed new car registrations, making the January figures unreliable.

But the rise in the share of imported cars—to 59.8 per cent, compared with 52.9 per cent in January 1981—caused more concern.

Japanese imports fell from 12.3 per cent in January 1981 to 9.23 per cent, but EEC manufacturing showed a marked improvement, raising their share of the market from 33.5 per cent to 44.2 per cent.

The number of new sales was the lowest January figures for five years. The rise in import levels over 1981 represented a return to 1980 levels.

Volvo was particularly encouraged, as its market share rose spectacularly from 2.9 per cent to a record 3.98 per cent with sales 14 per cent higher than in 1981.

BL yesterday announced price increases of between £100 and £200 for the Austin Metro Mini, and Triumph Acclaim.

TOP TEN CARS

United Kingdom top car sales in January (last month's place in brackets)		
1. (3)	Ford Escort	12,912
2. (1)	Ford Cortina	12,680
3. (5)	Vauxhall Cavalier	6,647
4. (4)	Ford Fiesta	6,550
5. (2)	Austin Metro	5,914
6. (7)	Vauxhall Astra	3,894
7. (6)	Triumph Acclaim	2,852
8. (4)	VW Golf	2,811
9. (9)	Volvo 300	2,552
10. (8)	Vauxhall Chev.	2,513

Ronson may lift ACC conditions

By Philip Robinson

Mr Gerald Ronson is likely to begin new moves on Monday in his attempt to prevent Mr Robert Holmes a Court from taking control of Associated Communications Corporation.

It is believed he will make his £46.6m takeover offer from conditions of £10m.

Mr Ronson's bankers, Barclays Merchant Bank, are due to meet ACC's advisers, Standard Chartered, on Monday, when discussions are expected to centre on whether an unconditional offer would be enough to win an ACC board recommendation.

Mr Holmes a Court and Lord Grade, the former ACC chairman, return from Australia next week. Legal action by Ronson's group, designed to prevent ACC voting shares passing from its directors to Mr Holmes a Court starts on Monday week. On that day, the High Court action by the Post Office opposing a £560,000 payment to Mr Jack Gill, dismissed ACC managing director, is also due to start.

Malaysian snub for Dunlop

From M G G Pillai, Kuala Lumpur, Feb 5

Dunlop's Malaysian subsidiaries offshoot had lost a £5m contract which it had held since 1962.

The 51 per cent subsidiary of Dunlop UK said here that it had lost the contract to supply tyres to Malaysian government departments this year. But it declined to give any further details.

The news comes as Lord Carrington, the Foreign Secretary, is to begin talks with Malaysian officials.

Dunlop is the second leading British company to lose a contract with the Malaysian Government since Malaysia decided on a policy of discriminating against British goods and services.

The news agency, was given six months' notice in December to stop supplying contract it had with the Information Ministry, the Foreign Ministry and Radio Television Malaysia, official sources said today.

The recent purchase of 26 Scorpion light tanks and 25 armoured personnel carriers built by Alvis of Coventry was negotiated at least six months before the new purchase policy came into effect and therefore did not come under the new rules, the sources said.

But British Leyland may not be so lucky. Its contract to supply military lorries and other vehicles comes up for renewal shortly and it may not get it, according to the same sources, although it has held it for every year but one since 1957.

British satellite approval soon

By Clive Cookson and Bill Johnston

The Government is to approve a privately funded British satellite for television broadcasting. Britsat will be built by British Aerospace, with electronic equipment supplied by GEC-Marconi.

Mr William Whitelaw, the Home Secretary, is expected to make the announcement in the Commons later this month. Mr Michael Marshall, Conservative MP for Arundel and former space minister, has provided the opportunity with a parliamentary question tabled for answer on February 18.

British Telecom has agreed to join British Aerospace and GEC-Marconi in the Britsat consortium. N.M. Rothschild, the bankers, are also involved.

The last of the project will be between £150m and £200m, depending on the type of system chosen. The cheaper and more likely option is based on the European Communications Satellite which British Aerospace is already making for the European telecommunications authorities.

But British Aerospace would prefer a more ambitious project based on the large satellite, L-Sat, which the company is developing for a scheduled launch by the European Space Agency in 1986.

The first option would have two television channels. L-Sat would provide ample capacity for a third or fourth channel.

British Telecom is prepared to put up £50m for the right to use as much as one-third of the satellite's capacity for transmitting computer data to businesses and to provide a link with Satellite Business Systems in the United States.

If the broadcasting authorities had a choice over the timing, they would not commit themselves to satellite television until the BBC is financially pressed and the independent companies are preoccupied with the launch of Channel 4 and breakfast television.

But they have come under heavy pressure from the Home Office, Industry Department and aerospace and electronics companies to go ahead now, because the Government and industry are keen not to get left behind the European competition.

France, West Germany and Luxembourg are going ahead with their own television satellites, whose broadcasting "footprints" will cover Britain.

Britsat will be located in geostationary orbit 36,000 kilometres above the Equator, at a longitude of 31°W. To pick up its broadcasts householders will need a one-meter dish-shaped antenna on the roof or side of their home costing about £100.

But many people will receive the satellite broadcasts by cable from a larger communal aerial. The future of cable television in Britain is closely connected with satellite broadcasting, and the Government is expected to publish a Cabinet Office report favouring liberalization of cable television at the same time as Mr Whitelaw's statement. Together they will have a profound effect on the future of broadcasting in Britain.

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The Over-the-Counter Market

1981/82	High	Low	Company	Price	Ch'ge	Gross Div(12)	Yld %	P/E	Fully Paid
123	100	ABR Hldgs 10% CULS	121	—	10.0	8.3	—	—	—
75	62	Airsprung Group	70	—	4.2	67	11.1	15.4	—
51	33	Armstrong & Rhodes	44	-1	4.3	9.8	3.7	8.3	—
205	187	Bardon Hill	204	—	9.7	4.8	9.9	12.1	—
104	77	Deborah Services	77	—	6.0	7.8	3.8	—	—
130	97	Frank Horsell	129	+1	6.4	5.0	11.6	23.9	—
78	39	Frederick Parker	58	—	1.7	22	33.9	—	—
76	46	George Blair	58	—	—	—	—	—	—
102	93	IPC	96	—	7.3	7.6	6.9	10.4	—
105	100	Iris Conv Pref	105	—	15.7	15.0	—	—	—
113	95	Jackson Group	95	—	7.0	7.4	—	6.7	—
130	108	James Burroughs	112	—	8.7	7.8	3.0	8.2	—
334	250	Robert Jenkins	252	+2	31.3	12.4	8.5	10.3	—
59	51	Scruttons "A"	56	+1	5.3	9.5	8.6	8.0	—
222	164	Torday & Cartliffe	164	—	10.7	6.5	5.3	9.8	—
15	10	Twinklford	13	—	—	—	—	—	—
80	66	Twinklford 15% ULs	76	—	15.0	19.7	—	—	—
44	27	Unicoll Holdings	27	—	3.0	11.1	4.8	8.2	—
103	75	Walter Alexander	75	—	6.4	8.5	4.9	8.7	—
263	212	W. S. Yeates	219	+1	13.1	6.0	4.1	8.4	—

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FAMILY MONEY

Taking tax relief on 'venture' trusts

One of Sir Geoffrey Howe's more imaginative schemes as Chancellor looks set to bear its first fruits with the investment this week by Electra Risk Capital (ERIC) in electronic systems.

This scheme, under the parentage of Electra Investment Trust, is one of only three set up in recent months to take advantage of generous tax concessions available to individuals who invest in new businesses. The others are the Basilidon Fund from stockbrokers Laurence Prust, and the Creative Capital Fund marketed by the British Linen Bank – part of the Bank of Scotland.

The schemes have enormous appeal for higher-rate taxpayers who can obtain tax relief at their highest rate paid on investments of up to £10,000 in each year.

Criticism has centred on the fact that the Electra scheme and, to a lesser extent, the Basilidon Fund have a built-in incentive not to invest, since they enjoy the benefits of interest on the cash which it remains on deposit. The investor obtains no tax relief until the funds are invested.

However, since the relaunch of ERIC last September after the Mark 1 version last April was a flop, the scheme has pulled in £8.7m.

This week's announcement of a £250,000 stake in the electronic office services of Urwick-Nexos leaves ERIC with nearly £8.5m to invest. Gordon Dean the managing director will clearly have to go some to find a suitable home for even 10 per cent of the money in what remains of this financial year. In the meantime, ERIC is in the happy position of earning a high rate of interest which is not passed on to its 1,800 investors.

Admittedly, the scheme does not impose a front-end charge but investors should not be content with the situation whereby interest

earned is earmarked entirely to defray the cost of launching the scheme and investing potential investments.

Mr Dean says he is currently looking at 24 possible investments. These are mainly in the word processing and video fields but there is also the idea of investing in a chain of old people's homes. Mr Dean says he has "a useful nucleus which will come to fruition in a short time". Meanwhile, there is a strong argument that £8.5m of investors' money should be treated rather more generously.

ERIC offers investors master shares at £2,500 each. A minimum purchase is one master share. For an individual paying income tax at 60 per cent, plus 15 per cent investment income surcharge, tax relief will be a full 75 per cent, or £1,875, reducing the net cost of a master share to £525. The true cost of a master share to a 50 per cent taxpayer would be £1,250.

Laurence Prust's Basilidon Fund, launched last August, drew in a comparatively modest £1.1m, mainly from its own clients. It has a 7 per cent "front-end load" and while money is on deposit, Laurence Prust retains 3 per cent of any interest. There is enormous pressure on us to invest and we have already cleared investments of up to £450,000," he says.

The firm is poised to put money into a very low base, as over the previous 12 months of 1981, investors saw a dramatic decline in the value of their investments with only two trusts – Allen Harvey & Ross's Gilt Fund and Tyndall's Gilt Fund – showing a positive return.

Anyone unfortunate enough to have held the Invicta Gilt Income Fund (formerly Clive Gilt Fund) will have seen an overall loss during 1981 of 8.62 per cent. But if you strip out the 15 per cent that went to the unitholder as income, the capital loss works out at 24 per cent.

The price of gilts is dominated entirely by interest rate considerations. When interest rates rise – as they did in the last few months of 1981, gilt prices slide. Last month saw a half per cent cut in interest rates, and gilt prices have risen correspondingly giving more than 50 per cent of the trusts a positive return over the first four weeks of this year.

And this has put new heart in fund managers. "I think gilts in Britain have eased a little but he points out that they are dependent on interest rate movements in America. "I would stick my neck

There is nothing to prevent direct investment but the problem is that few individuals have the time and expertise to seek out and evaluate such companies themselves.

According to Mark Powell, of stockbrokers Laing & Cruickshank, the tax relief should be only a secondary incentive. He says: "It's a high risk investment, so you have to believe in the investment itself".

Last word goes to Eddie Ray, senior tax partner of chartered accountants Spicer and Pegler. There are lots of takers but very little opportunity to invest.

Peter Garland Gordon Dean, managing director of Electra Risk Capital

Rise in gilts gives fund managers new confidence

The half per cent cut in interest rates last month precipitated a rise in gilts and as the table shows, some offshore gilt funds have seen the return of nearly four per cent over the month.

However, this has been achieved from a very low base, as over the previous 12 months of 1981, investors saw a dramatic decline in the value of their investments with only two trusts – Allen Harvey & Ross's Gilt Fund and Tyndall's Gilt Fund – showing a positive return.

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OFFSHORE GILT FUNDS PERFORMANCE – TOTAL RETURN

FUND	One Month	Total Return 1981
1. Allen Harvey & Ross Gilt Fund	+3.58	+2.10
2. GT Anchor Gilt Edge	+3.00	+2.38
3. Midland Drayton Gilt Fund	+2.73	+2.08
4. Lloyd's Trust Gilt	+2.13	+1.13
5. King & Shaxson Gilt Fund	+1.84	+4.72
6. Kleinwort Benson Gilt Fund	+1.79	+0.84
7. Brown Shipley Sterling Fund	+1.74	+2.83
8. Nat West High Income	+1.63	+0.42
9. Arbutnot Gov. Securities	+1.50	+4.41
10. Fidelity Gilt Fund	+1.46	+2.88
11. Crispin Gilt Trust	+1.42	+0.98
12. Tyndall Gilt Fund	+1.32	+1.00
13. TSB Gilt Fund	+0.29	+0.28
14. Gardmore Gilt Fund	0.00	+8.15
15. Britannia Gilt Trust	-0.07	+0.24
16. Barclays Unigilt	-0.18	+5.82
17. Invicta Gilt Income	-0.86	-5.82
18. Invicta Gilt Growth	-0.89	-7.95
19. Hill Samuel Gilt	-1.12	-2.84
20. S & P Sterling Fund	-1.53	-1.29
21. Henderson Baring Gilt	-1.95	-2.61
22. Hambros Gilt Fund	-2.07	-6.85
23. Chase Sterling Fixed Interest	-2.34	-
24. Schroder Gilt Fund	-2.45	-

Dividend deduction on offshore gilt funds are paid gross, without tax

This view is echoed by Michael Lawrence of Allen Harvey and Ross who has managed to turn in the top performance over both 1981, and for the first month of this year. "I am the eternal optimist," he says. Interest rates in Britain have eased a little but he points out that they are dependent on interest rate movements in America. "I would stick my neck

MONEY TALK

Attractive rates for stop-loss insurance

Members of Lloyd's who want to insure any potential losses can take advantage of attractive rates on "stop-loss" insurance negotiated by the Association of External Members of Lloyd's – though you have to be a member of the association to be eligible.

On payment of the premium a member is covered for losses of up to £200,000 with an excess of between £10,000 and £25,000 depending on the premium income limit. A special feature of this particular stop-loss cover is that you do not have to repay your profits in future years to the underwriters who have paid your losses. The annual premium can be set against income tax, including the investment income surcharge.

Further details from The Association of External Members of Lloyd's, c/o Dr John Maxwell, Maxwell International, FREEPOST, London WC2E 7BR.

Loan scheme

Home loans schemes linked to a self-employed pension plan instead of the more conventional with-profits endowment policy, are sprouting like mushrooms. And very attractive they are too for higher rate taxpayers, who are self-employed or in non-pensionable employment. Latest to launch a scheme is Provident Life, which has links with a number of building societies and can arrange a loan of up to 90 per cent of the property valuation. The attraction of pension-linked schemes is that pension premiums are eligible for tax relief at highest rate paid by the individual. Life policy premiums only attract tax relief at 15 per cent.

Share account

The Hearts of Oak & Enfield Building Society has launched a new Summit Share Account, guaranteeing 2% per cent above the BSA recommended rate for six years. At present this is 12 per cent net pa – 12.35 per cent if interest is calculated twice yearly – the choice is yours. The minimum investment is £1,000, maximum £20,000, and withdrawals can be made at any time with 90 days loss of interest.

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Extra income for the elderly

The index-linked Home Annuity Scheme launched by the Building Trust last week, which provides extra income for elderly people with an unmortgaged property, is even better than we first thought.

Homeowners who want to increase their spendable income raise a loan from the Building Trust against the security of the home and use the lump sum to buy an annuity – an income for life. Part of the annuity payment is used to pay the interest on the loan, and the balance is extra spendable income.

Borrowers from the Building Trust can opt to have half the loan linked to any increase in house prices, and pay interest at two-thirds the building societies' recommended rate. Alternatively they can have the entire loan index-linked and pay interest at only one-third the building societies' recommended rate. This dramatically increases the amount of spendable income.

Mr Robin Ellison, Managing Director of the Building Trust, reports overwhelming response from borrowers wanting to raise an index-linked loan but a less dramatic reaction from the pension funds which are being offered partially index-linked investment opportunities.

This could be one area where the pension funds might exercise a degree of social responsibility if it enabled elderly people to live more comfortably in retirement. The people who would benefit might well be their own pensioners.

Lorna Bourke

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The 5-year investment, for a minimum of £500 and over, that guarantees you 2% extra interest above our variable Share Account rate.

And you can withdraw all or part of your money by giving us 90 days' notice at any time. If the withdrawal would leave you with a balance of less than £500 then the whole balance must be withdrawn – but you can always re-invest it in a Share Account. You only lose interest during the notice period on the amount you withdraw. Your money is, of course, available at the end of 5 years without loss of interest.

Interest can be paid to you as regular income, monthly or half-yearly. Or you can leave your interest invested in your Bond where it will itself earn yet more interest at the Bond rate.

It pays to decide Nationwide

There are over 1,100 Nationwide branches and agency branches, and most are open on Saturday mornings. You'll find the addresses in Yellow Pages. Come in and see us soon.



Nationwide
Building Society

FAMILY MONEY

Funds finding it pays to be backing Britain

Funds concentrating on British investments have made the best start in the 1982 unit trust league table. Indeed, such was the strength of the British stock market in January compared with its major overseas counterparts that less than a dozen of the first 300 funds in last month's performance list are predominantly invested abroad.

The overall leaders include a wide variety of recovery, smaller company and high income trusts. At this stage of the economic cycle, with the worst of the recession apparently behind us, income funds have a lot in common with recovery portfolios.

Yield requirements frequently necessitate managers buying cyclical stocks currently down on their fortunes or out of favour with the market. Over the past couple of years, however, there has been plenty of British manufacturing companies falling into these categories.

Now with industrial recovery in sight or just over the horizon, the M & G management group recently described the domestic manufacturing sector as the brightest feature in the world investment scene. Certainly, the unit trust group well anticipated the stock market

funds have suffered from the general background of falling dividends in the share sectors of interest to them. This has been reflected also in falling capital values. The dividend trend should now begin to move favourably, and share prices may be expected to follow.

Another group of funds which has begun the year well are those specialising in investment trusts. The £195m Save & Prosper Investment Trust Units takes 17th position over the month with similar funds from the Target and Abbey stables close behind.

The FT Actuaries Investment Trust rose by nearly 8 per cent in January, while the average discount based on the 100 largest investment companies narrowed to 23 per cent, its lowest level for nearly 18 months. A major influence behind these movements has been renewed speculation within the sector of imminent takeovers and possible unitisations.

Outside Britain the best performance by an overseas investment fund last month was achieved by the recently launched Hill Samuel European Trust in 24th position. Its closest challenge was also provided by two of last year's new issues, Equity & Law Far East and stockbrokers Carr Sabag's Far Eastern fund.

With its sizeable exposure to the manufacturing sector, M & G suggests that British yield-oriented trusts have most to gain from our industrial recovery. "These

Fighting for a fair share of the pension

The Government is acting speedily to change the laws governing maintenance after divorce. But one increasingly thorny problem — pensions — highlighted by the Law Commission in its report on the financial consequences of divorce, is unlikely to be tackled in the forthcoming Bill. This is a shame, for while the arguments for and against maintenance are clear, many ex-wives and ex-husbands agree over pensions.

Under existing pensions legislation, an ex-wife cannot claim any share in a husband's pension, though one may have a claim to any dependants' benefits or lump-sum death benefits if the trustees discretion allows. With the growth of occupational pension schemes and the amazing sums of money involved in the public sector, a man's pension may be the family's biggest asset. Up-market divorces these days often involve an unseemly tussle over how, and how much, the ex-wife should be compensated for her loss.

Although the pension funds cannot, by law, recognise her claim to part of a widow's pension, the matrimonial courts do. So compensation has to be paid out of the husband's share of current assets. This seems as unfair as an ex-wife being shut out completely, particularly since the ex-wife might in any case predecease her husband.

Mr David Lindsay, senior solicitor at The Pension Scheme, called for fresh legislation in a recent letter to *The Times*.

He says: "My pension fund, whose members include high-earning pilots on index-linked pensions, has come up against this problem. It is impossible to compensate an ex-wife for the loss of a widow's pension without leaving the husband with nothing. By law we are not allowed to split the pension. Even if we were allowed to, I would much rather accept the direction of the court."

WHAT DO YOU EXPECT? AS HIS EX-WIFE I DON'T RECEIVE A SHARE OF THE PENSION!



The divorce courts have no powers over pension rights and payments in divorce settlements — they can only carve up the existing assets in lieu of them. So in many cases, a husband is asked to transfer half of the matrimonial home to an ex-wife, to compensate her for some potential future loss. If the widow's pension could be divided by the courts or the pension funds as it is on the Continent, where wives past and present are paid on a pro-rata basis, the problem would be solved.

The Law Commission would clearly like this dealt with in the new divorce legislation. So would the Occupational Pensions

Board, which called for a change as long ago as 1976.

At the moment there are two courses of action — neither really satisfactory — open to a husband who wants, or is required, to compensate an ex-wife for the loss of her widow's pension. Some pension schemes may allow him to forgo part of his pension on retirement in return for continuing payments to an ex-wife — or any other dependent — after his death.

Or he can take out insurance, if he can afford it. Commercial Union says that a reversionary annuity of £5,000 a year to an ex-wife, aged 46, on the death of a husband, aged 50, would require a single premium of £4,415.

The snag, apart from the cost, is that if the ex-wife predeceases her ex-husband, the money is lost.

Margaret Drummond

Family Assurance report is expected soon

Investors in the Family Assurance Society can expect to receive the society's annual report and accounts for 1981. Following the upheavals last year, when the Registrar of Friendly Societies gave notification that he intended preventing the society from taking on new business unless changes were made, some investors may have been uneasy about their policies.

The 1981 accounts are due on February 17 and should be published soon afterwards. "We have our fingers crossed that most of the problems that arose in previous years have been overcome," said John Clark, of Family Assurance.

He is hoping that the auditors, Deloitte Haskins & Sells, will give the society a clean bill of health. The accounts have been strongly qualified in previous years by Morrison Stoneham, the auditors at that time, on the grounds that the society had failed to keep proper records.

management consultants looking at their systems for more than six months and hopes that the book-keeping shortcomings have been rectified. Trouble developed some time ago with the introduction of a computer system which appears to have been badly programmed.

This over-allocation of units meant that the fund was being valued on a conservative basis, so it is possible that investors will see some improvement.

The Registrar of Friendly Societies has been keeping close eye on developments and is likely to keep the assurance society on a short rein for a while. So it looks as though most of investors' qualms have proved unfounded.

We will know for certain when the accounts are published.

Meanwhile Ralph James, a member of Family Assurance, who was due to be co-opted on to the society's committee of management, has not been asked to take his place, and is taking the matter to arbitration. Members of the society who attended the stormy annual general meeting last May voted in favour of Mr James being co-opted on to the Committee, but Mr James says that after six months he was advised by Bob Morrison, chairman of the society, that the committee has decided not to accept the recommendation of the AGM.

Family Assurance is a tax-free friendly society with some 50,000 investors and assets in excess of £8 million. Its affairs came under the spotlight a year ago when the Registrar of Friendly Societies called for a new independent committee management.

FAMILY MONEY MARKET

Banks
Current account — no interest paid. Deposit accounts — Barclays 12 per cent, Lloyds, and NatWest 11 per cent, seven days notice required for withdrawals. For sums of £10,000 or more rate fixed for the term. Fixed-term deposits — 1 month 14 per cent, 3 and 6 months 13 per cent. Rates quoted by Barclays.

Money funds
Simco 7-day fund, 14.29 per cent; Tynall 7-day fund, 15 per cent; Tynall 14-day fund, 14.25 per cent; Simco dollar fund, 14.68 per cent; interest paid without deduction of tax. Further details from Simco (01-238 0233). Tynall (0272-732241). JDT scheme now closed to new investment.

National Savings Bank
Ordinary accounts — interest 5 per cent, first £70 of interest tax-free. Investment Account — "15 per cent, interest paid with deduction of tax, one month's notice of withdrawal, maximum investment £200,000. "Reducing to 14 per cent on 1st March.

National Savings Bank
Ordinary accounts — interest 5 per cent, first £70 of interest tax-free. Investment Account — "15 per cent, interest paid with deduction of tax, one month's notice of withdrawal, maximum investment £200,000. "Reducing to 14 per cent on 1st March.

Local authority yearling bonds
12-month fixed rate investments, interest 14½ per cent basic rate tax deducted at source (can be reclaimed by non-taxpayers), minimum investment £1,000, purchased through stockbroker or bank.

Local authority town hall bonds
Fixed term, fixed rate investments, interest quoted gross (basic rate tax deducted at source, can be reclaimed by non-taxpayers). Best offers: 1 year, Cleveland 14½ pc; 2 years, Kirkcaldy 14½ pc; 3 years, Barnsley 14½ pc; 4-5 years, US dollar 12½ pc; 12½ pc; Yen (2 days) 2½ pc; 2½ pc; D. Mark 6½ pc; 7 pc; French franc 10½ pc; 10½ pc; Swiss franc ¾ pc; ¾ pc.

National Savings certificates — 23rd issue
Return totally free of all taxes, equivalent to an annual interest rate over the five year term of 10.5 per cent, maximum investment £5,000.

Building societies
Ordinary share accounts — 9.75 pc. Term shares — 1 to 5 years between 0.5 pc and 2 pc over the RBA recommended ordinary share rate depending on the term. Regular savings schemes — 1.25 pc. Over 5 years, 13½ pc. Ordinary share rate. Rates quoted above are those most commonly offered. Individual building societies may quote different rates. Interest on all accounts paid net of basic rate tax, not reclaimable by non-taxpayers.

Finance for industry
Fixed-term, fixed-rate investments of between 3 and 10 years, interest paid half-yearly without deduction of tax: 3-4 years, 13½ pc; 5 years, 13½ pc; 6 years, 13½ pc; 7 years, 13½ pc; 8 years, 14 pc; 10 years, 14½ pc. Further information from FFI 91 Waterloo Road, London SE1 (01-928 7822).

Finance house deposits (UDT)
Fixed-term, fixed-rate deposits, interest paid without deduction of tax. For sums of between £5,000 and £50,000: 6 months, 14 pc; 1 year, 14½ pc; 2 years, 14½ pc; 3 years, 14½ pc; 4 years, 14½ pc; 5 years, 14½ pc. Interest paid without deduction of tax.

Knowsley 14½ pc; 6-7 years Hereford and Worcester 15 pc; 8 years Knowsley 14½ pc; 9-10 years Reading 14½ pc; 11 years 14½ pc. Further details available from Chartered Institute of Public Finance Loans Bureau (01-828 7855, after 3 pm). See also on Prestel no 24808.

Finance for industry
Fixed-term, fixed-rate investments of between 3 and 10 years, interest paid half-yearly without deduction of tax: 3-4 years, 13½ pc; 5 years, 13½ pc; 6 years, 13½ pc; 7 years, 13½ pc; 8 years, 14 pc; 10 years, 14½ pc. Further information from FFI 91 Waterloo Road, London SE1 (01-928 7822).

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Unit Trust Performance

The tables show the value on February 1 of £100 worth of units invested 12 months ago (column A) and three years ago (column B) — net income reinvested — offer to offer price basis.

Source: Planned Savings Magazine

Value of £100 invested over one month to Feb 1

1. Graimount Recovery	£118.0
2. Garmore UK Smaller Cos. Recovery	£114.70
3. Target Income	£113.90
4. Intel Smaller Companies	£113.30
5. Britannia Income & Growth	£112.90
6. Britannia Nat. High Income	£112.20
7. S & P Income	£111.70
8. Fidelity Special Sits.	£111.60
9. Quilter/Quadrant Income	£111.60
10. Intel Income & Growth	£111.00

Unit Trust Performance

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10. Intel Income & Growth	£111.00

Arbutnot/Ex Inc	95.5	99.6
Arbutnot/High Yld	92.2	101.9

GENERAL

Mercury General	139.7	213.1
Barclays "SIP"	132.9	162.9
NatWest Smr Cos	133.1	—
Pelican Units	131.9	175.9
Arbutnot Smr Cos	130.7	160.8
Norwich Up Gr Tr	129.1	158.6
MLA Trst	128.9	22.9
A-Hambro Gld/Lnd	127.8	184.1
Reliance Opportunity	126.9	138.9
Intel Smr Cos	126.5	—
New Court Smr Cos	126.9	190.3
Reliance/Sekford	126.0	130.1
Barclays Income	124.8	163.7
Pearl Trust	124.5	154.5
Barclays Investm	123.9	160.6
Lloyds Balanced	123.6	171.7
T&G/Barbican	122.6	156.1
A-Hambro E&I Ind	122.5	158.7
Legal & Gen Sec	122.4	179.0
G&A Units	122.2	147.4
Minster	122.1	145.5
Tynall/Internt Eangs	121.9	161.4
M&G/Trustee	121.8	149.8
Abbey General	121.7	146.1
M&G/Genl	121.7	162.7
Schroder Smr Cos	121.3	—
Britannia Recovery	121.2	157.9
Tranvia UK Smr Cos	120.9	156.7
Lloyds Smr Cos	120.8	—
A-Hambro 2nd Sm Cos	120.7	165.0
British Life	120.6	155.9
Quilter/Quadrant Gen	120.5	171.8
HS Small Cos	120.4	172.7
Lloyds Life Equity	120.4	172.7
Barclays Gen	119.5	161.2
Grievous/Barrington	118.9	159.3
Prudential/Trust	118.7	157.5
Crescent Reserves	118.5	155.5
A-Hambro First	118.4	161.0
Albion Smaller Cos	118.3	147.5
Equities Units	118.1	149.6
Brown Shipley Indx	117.9	157.0
Brit Life Balanced	117.9	147.1
M&G Second Genl	117.7	164.0
A-Hambro Brit Ind	117.7	148.0
A-Hambro Fund	117.6	151.4
Hill Samuel/Scry	117.5	146.8
T&G/Colony	116.9	168.7
S&P/UK Equity	116.9	144.2
A-Hambro Smr Cos	116.9	173.6
Leo Capgrd	116.7	173.6
Henderson/Income&Ass	116.7	141.9
Albion	116.6	144.4
Guardrail	116.5	171.3
Target/Equity	116.4	158.9
A-Hambro Capital	116.3	144.2
Kleinwort Smr Cos	116.3	144.2
Kleinwort Bann Int Fd	116.3	161.2
Roman Merit	116.3	144.2
Trades Union Units	116.0	154.7
Britannia Smr Cos	115.3	157.3
Hill Samuel/Brit	115.3	156.8
S&P/Scottish	115.2	161.7
Collins & Voe	114.7	186.8
Barclays Pro Assn	114.5	168.5
Grievous/Barr Smr Cos	114.5	168.5
Confined Growth Unit	114.5	168.5
Vanguard Trust	114.5	168.5
Key Small Cos Fund	113.2	171.4
Scottish Equit Unit	113.2	147.0
Anderson	113.0	140.2
Mutual/Bias Chip	112.6	145.5
Friars House	112.5	160.5
Rowan Securities	112.5	169.2
Key Equity and Gen	112.5	150.6
Mayflower General	112.3	126.1
Target Income & Gen	112.3	126.1
Nelstar Trust	111.1	150.0
Nat West Port Inv	110.9	134.4
M&G Smaller Cos	110.7	169.0
NatWest/Security Plus	110.1	126.1
Canlife General	109.6	137.1
Norwich	109.6	137.1
Archway Fund	109.0	163.3
Britannia Domestic	108.4	142.3
Intel Inc & Grwth	108.0	120.2
Brown Shipley Units	107.5	147.2
NatWest/Secur	107.3	147.2
BN Market Leaders	106.6	144.4
Britannia Cap & Ind	106.4	125.3
Govett/Schubert Euro	102.7	—
Britannia Shield	100.7	146.0
NatWest/Buckham	100.1	129.4
Rob Fraser Trst	91.9	130.0

OVERSEAS

Hill Sam. Far East	148.6	—
Arbutnot E&I Ind	141.2	208.4
Investment Tokyo	136.8	165.6
S&P/Japan Growth	136.0	127.4
Grievous/Ldn&Brus	135.3	141.6
Bishopsgate Int	134.3	163.3
Henderson/Japan	134.0	148.1
Target Income & Gen	133.0	168.7
Mid. Drayton Jap.	129.4	148.6
Henderson/European	129.1	115.8
Gr Winch. Overseas	128.1	186.6

LAST WEEK OF INITIAL OFFER

CT Japan & Gen.	127.5	146.3
A-Hambro Japan	126.1	—
M&G/American Rec	125.0	—
Frankington Amer	123.8	175.3
Henderson/N Amer	123.7	151.9
Frankington Int G	123.5	189.9
CT Japan	123.5	—
Load Wall Int	122.9	125.8
A-Hambro Sec of A	122.6	157.1
Grievous/Endeavour	122.4	188.4
MLA Trst	122.4	22.9
Frankington US Trst	122.1	112.0
Tynall/N Amer	120.7	—
Stewart Amer Fund	120.7	149.5
Hill Samuel/Int	119.8	128.7
Stewart Amer Fund	119.8	149.5
Henderson/Fac Sac	118.6	—
Proflint Int	118.4	161.1
Crescent Int	118.1	139.5
Stewart Amer Fund	117.9	149.5
Chiefman Far E	117.8	179.1
Britannia Jap Perf	117.5	178.4
Arbutnot Forgn	117.4	176.4
Arbutnot Forgn	117.4	144.2
Mutual/Bias Chip	117.4	145.5
Mutual/Bias Chip	117.4	145.5
Lloyds Wldw Gr	116.8	167.8
Bridge Int Rec	116.6	157.2
Henderson Am Sm Cos	116.2	182.4
Nelstar Internat	115.4	—
Intel Amer Technol	115.4	—
Target Amer Eagle	115.2	148.9
Britannia Am Sm Cos	115.1	207.0
Stewart Amer Fund	115.0	—
S&P/US Growth	114.9	159.0
Tynall/Far East	114.5	—
Stewart Amer Fund	114.5	159.0
S&P/Int'l	114.3	157.0
Hill Samuel/Dlr	113.9	125.2
Mayflower Intnl	113.7	139.1
Grievous/Granchir	113.7	139.1
Grievous/Granchir	113.3	130.6
M&G/Far East	113.2	218.5
CTUS & Gen	113.0	174.9
Bridge Amer & Gen	113.0	158.0
PIPI Int'l	112.9	158.0
Govett/Stockholders	112.7	131.5
Fidelity Am Sp Sits	112.7	—
Arbutnot Am Sp Sits	111.9	144.7
Quilter/Quadrant Int	111.9	144.7
Mercury Intl	110.7	143.7
Lloyds Nat Amer	110.4	—
CTUS & Gen	110.3	173.3
Abbey Amer Grwth	110.3	—
A-Hambro Intl	109.6	134.2
World Wide	109.6	222.5
Arbutnot N Amer	109.5	121.3

Stock Exchange Prices

Confident mood

ACCOUNT DAYS: Dealings Began, Jan 25. Dealings End Feb 12. Contango Day, Feb 15. Settlement Day, Feb 22

Forward bargains are permitted on two previous days

1981/82 High Low Stock				1981/82 High Low Company				1981/82 High Low Company				1981/82 High Low Company				1981/82 High Low Company			
Price Change Pence % P/E				Price Change Pence % P/E				Price Change Pence % P/E				Price Change Pence % P/E				Price Change Pence % P/E			
BRITISH FUNDS																			
1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79
1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994
1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994
COMMERCIAL AND INDUSTRIAL																			
1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79
1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994
1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994
FINANCIAL TRUSTS																			
1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79
1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994
1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994
INSURANCE																			
1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79
1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994
1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994
INVESTMENT TRUSTS																			
1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79
1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994
1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994
PROPERTY																			
1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79
1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994
1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994
RUBBER																			
1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79
1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994
1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994
TEA																			
1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79
1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994
1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994
MISCELLANEOUS																			
1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79	1981/82	1980/81	1979/80	1978/79
1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994
1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994	1000	994	994	994

